

Burneside Housing Needs Assessment (HNA)

July 2020

Quality information

Prepared by

Amani Bhobe
Graduate Social Consultant

Checked by

Paul Avery
Senior Housing Research
Consultant

Approved by

Paul Avery
Senior Housing Research
Consultant

Revision History

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Prepared for:

Burneside Parish Council

Prepared by:

AECOM

Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

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List of acronyms used in the text:

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

1. Executive Summary

1.1 Tenure and Affordability

1. In terms of the current tenure profile of Burneside, the data shows us that 63.9% of households in Burneside own their homes outright, which is higher than the percentage for England (63.3%) but lower than the percentage total for South Lakeland (73.0%). Furthermore, 21.6% of homes in Burneside are socially rented, which is higher than the total for South Lakeland (10.4%) and England (17.7%). Burneside also has a lower percentage of private rented homes than its wider geographies—12.8% of households in the NA privately rent their homes, as compared to 14.2% in South Lakeland and 16.8% in England as a whole. In terms of tenure change over the period, the number of households in socially rented housing remained almost the same over the period, while other types of rent options experienced fluctuations.
2. The South Lakeland District Council SHMA (2017) describes South Lakeland as having a unique economic profile—it has very low levels of unemployment, which given the older age profile of the area, suggests that people in the district might work longer. It also found that the dwelling stock of the district is predominantly larger homes as well as a high proportion of detached homes. Additionally, stakeholder interviews with letting agents operating close to the Burneside (Kendal) revealed that homes for first time buyers were needed but had to be priced at £100,000 if there were to be affordable. Furthermore, agents said there was a lack of good quality housing for first time movers between the range of £200,000 to £250,000.
3. In terms of changes in house prices, our research found that prices in the LA9 postcode have increased slightly, increasing from 2012 to 2014 and then experiencing a sharp decline after 2014. Mean house prices increased by 48.3% over the period, and median prices increased by 34.4%. Lower quartile prices experienced only a marginal increase of 5.9% over the period. The price of an average (mean) property in the NA was £278,921 at the end of 2019. A lower quartile (entry level) property was priced at £153,000 at the end of 2019.
4. In order to determine affordability thresholds, we used three income indicators. The net annual household income before housing costs (equalised) across E02004017 in 2001 was £34,500, while the average total annual income was £51,267. The latter figure is typically used by mortgage lenders to assess a household's ability to afford to borrow. South Lakeland's gross lower quartile (LQ) weekly earnings for 2017 was £244, or approximately £12,709 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £25,418.
5. Using this data, the incomes required to afford various tenures were benchmarked against the various incomes set out above. It was found that the income required to buy an average market home for sale is higher than what would be available to those on median household incomes. The income required to buy an average entry-level home for sale is similarly unaffordable for those on lower quartile household incomes, even where two members may be earning. An entry-level house might, however, be accessible to those on median incomes.
6. Turning to properties for purchase through affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market, households on median incomes can afford all of the products under consideration. For those on lower quartile household incomes, neither the range of discounted market home options nor the shared ownership products would be accessible, even when two members may be earning.
7. Next, the quantity of affordable housing needed for sale and for rent in the NA were determined. The calculations for affordable housing for rent found that there is a -3.37 shortfall per annum, meaning there is sufficient affordable housing in the NA. However, this figure should be interpreted carefully—a shortfall does not necessarily mean there should be no new builds in the future, but that given the current rate of turnover, there is likely to be a sufficient supply for affordable housing each year, without new build projects. In 2011, 22% of the NA's population lived in socially rented housing while 12.7% lived in private rented housing and only 0.4% lived in shared accommodation.
8. The potential demand for affordable home ownership products within Burneside was then estimated. We found there are will be approximately 68 households in Burneside unable to buy affordable rented homes suitable to their needs during the Plan period.
9. An appropriate balance between the two main forms of Affordable Housing (rented options for those with the most urgent needs and routes to ownership for those who aspire to buy) would be a roughly 50/50 split.

1.2 Type and Size

10. In terms of existing stock of housing, the data that there were 690 households in Burnside, living in 177 detached houses, 210 semi-detached, 233 terraced houses, and 145 flats. Compared with the South Lakeland, Burnside has a similar profile—the NA has a slightly lower number of whole houses or bungalows (80.9%) than South Lakeland (84%) and a slightly higher number of flats (18.9%) than its comparator (15.6%).
11. When looking at homes delivered between 2001 and 2011, the main change from the 2001 Census findings is that Burnside experienced a significant decrease (43.3%) in the number of two- and three-room dwellings over the period and generally larger homes were built.
12. It is worth noting that there is a relatively higher share of three-bedroom dwellings in the NA (49.6%) as compared to South Lakeland (42.7%) and England (41.2%). The difference in the proportion of homes with four or five bedrooms is slight—there is roughly the same percentage of dwellings of this size in Burnside as there is in South Lakeland and England.
13. In terms of demographics, Burnside has a higher number of people between the ages of 45-64 than both wider geographies and a lower percentage of people in the working age population (16-44). Burnside's population of those falling under the age of 85 is lower than South Lakeland and only marginally higher than the figure for England. However, since there is a large number of people in age group 45-64, the number of people likely to enter the retirement age over the Plan period (or have already done so since the last census) is likely to be larger than its comparator geographies.
14. In assessing census data on household composition, it is evident that Burnside has a higher percentage of one-family households than its comparator geographies, with correspondingly fewer people living in one-person households. Of the 67.2% of one-family households, 22.8% have no children, which is marginally higher than the percentage of households without children in both South Lakeland (21.6%) and England (17.6%). Slightly less than half (12.8%) of all residents in one-person households are aged 65 and above, which is consistent with the age profile of the NA.
15. Furthermore, the data shows that between 2001 and 2011 Burnside experienced a growth in the number of one-person households. However this was a lesser increase than seen in its comparator geographies over the same period. The proportion of people aged 65 and above living in one-person households decreased by 12.9%, which is higher than the total for England (-7.3%) and South Lakeland (1.5%). Consistent with its profile as an aging neighbourhood, the proportion of one-family households occupied by those 65 and above increased by 20.3%.
16. The result of the HNA modelling suggests that by 2040, the size distribution of dwellings should be more focused on the smaller end of the size spectrum than it is currently, with the proportions of homes with one to three bedrooms needing to increase based on expected demographic changes. The demand for dwellings with five or more bedrooms is likely to decrease (see Table 6-12).
17. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for smaller homes.
18. As of December 2019, there were 24 households on the Housing Register for Burnside. The data indicates that majority of need by size for affordable housing is 54% for 1-bedroom homes, 42% 2-bedroom homes and 4% 3-bedroom homes. It is, however, important to note that this data is merely a snapshot in time as of April 2020, and the needs on the register will change over time.
19. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.

2. Context

2.1 Local context

20. Burneside is a Neighbourhood Plan area located in South Lakeland district, in the North West of England. The Neighbourhood Area (NA) boundary was first designated on 29 June 2016. In 2019¹, the Parish Council decided to include the entire parishes of Strickland Ketel and Strickland Roger within the designated neighbourhood area, now incorporating two pieces of greenbelt land that had been previously omitted. The consultation dates for the same run from 16 April to 11 June 2020.
21. The proposed Neighbourhood Plan period starts in 2021 and extends to 2040, therefore comprising a planning period of 19 years.
22. A description of the NA boundary that gives an idea of the spatial context is contained within the Neighbourhood's official website²:

“Burneside is a small village in South Lakeland in Cumbria, England. It is located to the north of Kendal and to the south east of Staveley, on the River Kent, just upstream from the confluence of the River Sprint. Burneside railway station is situated on the Windermere Branch Line, with services to Windermere to the north west, Oxenholme on the West Coast Main Line, and Lancaster to the south. Burneside is around 10 miles (16 km) from the M6 motorway.”
23. For the analysis presented here, we have established the NA plan boundary for data gathering purposes according to a combination of Census Output Areas (OAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - E000977770
 - E000977771
 - E000977772
 - E000977773
 - E000977774
 - E000977775
 - E000977776
24. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1888 residents.
25. A map of the Plan area appears below in Figure 2-1. A map of the OAs appears in Figure 2-2.

¹ Available at: [<https://www.southlakeland.gov.uk/media/7151/burneside-neighbourhood-area-application.pdf>]

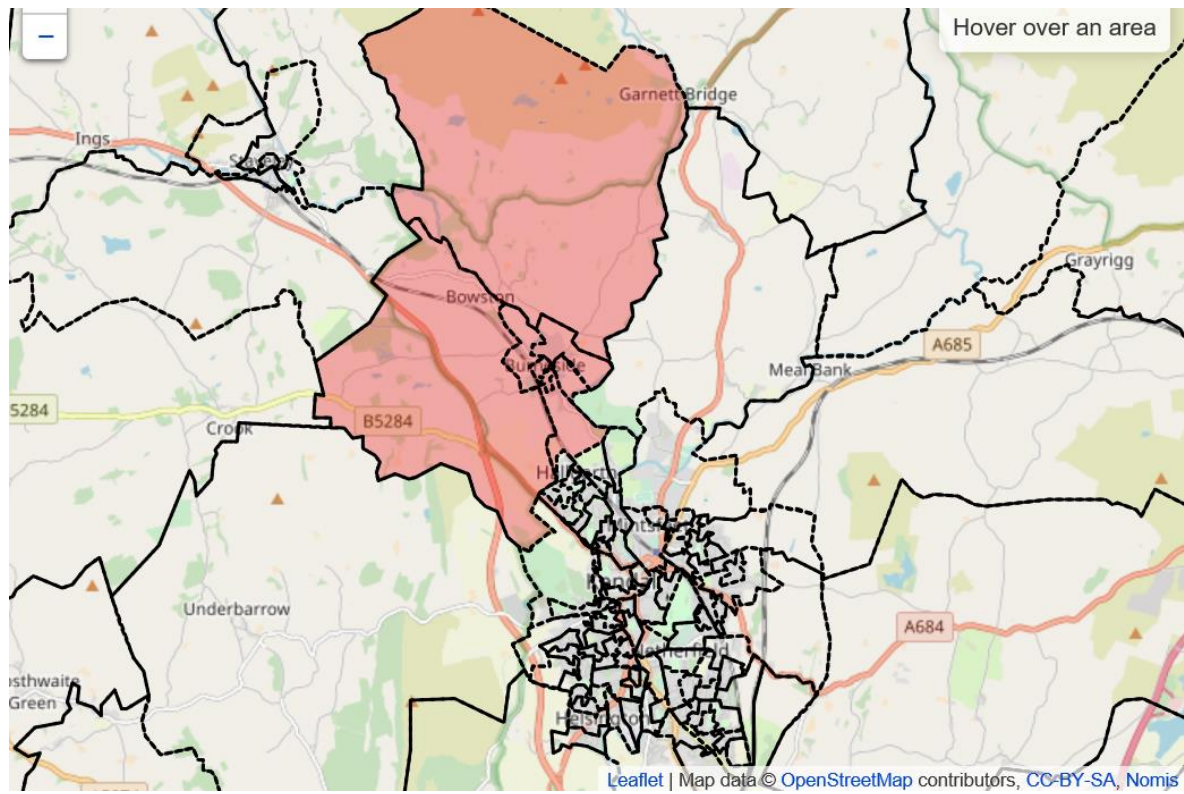
² Available at: [<http://burneside-pc.org.uk/>]

Figure 2-1: Map of the Burnside Neighbourhood Plan area³



³ Available at [https://www.southlakeland.gov.uk/media/5644/final-required-statement-290616_burnside-npa.pdf]

Figure 2.2: Map of Output Areas⁴



⁴ Available at: [<https://www.nomisweb.co.uk/query/construct/components/stdSearch.asp?menuopt=12&subcomp=101>]

2.2 Planning policy context

27. In line with the Basic Conditions⁵ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁶ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
28. In the case of Burnside, the relevant local planning context is found in the existing Local Plan for South Lakeside, which was adopted in October 2010. The Plan local plan for South Lakeside comprises the core strategy, land allocations and policies maps, the Minerals and Waste Plan as well as SDPs⁷.
29. The Core Strategy (2010) provides the following key message:
- “The Regional Spatial Strategy (RSS), which provides a framework for planning across the entire north west, calls for 400 new homes each year from 2003-2021 within the Core Strategy area. It also states that for the purpose of producing Local Development Frameworks, local planning authorities should assume that the average annual requirement will continue for a limited period beyond 2021. This target is based on population forecasts for the area and expected changes in household composition. It represents a significant increase from previous years, and equates to 8800 dwellings between 2003 and the end of the Core Strategy (2025).”*
30. The Council is currently in the process of producing a new Local Plan, which instead of comprising 4 documents as listed above, will be a single document, containing the programme and policies for the plan period 2016-2036. This information is found in the Local Development Scheme update, published in October, 2018⁸. This update also states that the current Local Plan covers the period 2003-2025 but will be replaced by the updated plan in 2021. However, for the purposes of this HNA, since the existing local plan is under review, our policy context consists of the documents listed above—that is, the documents comprising the Local Plan 2003-2025. Where relevant, we have contacted the LPA for updated figures and data.

2.2.1 Policies in the adopted local plan⁹

Table 2-2: Summary of South Lakeside’s adopted policies having relevance to Burnside Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
Policy CS1.2 – The South Lakeland Development Strategy	South Lakeland Core Strategy (2010)	This policy defines Burnside as a Local Service Centre, which sits below Principal and Key Service Centres in the settlement hierarchy, and above smaller villages, hamlets and open countryside.
Policy CS6.1: Meeting the housing requirement	South Lakeland Core Strategy (2010)	This policy provides an idea of how developments might be dispersed and phased, following guidelines set out in the Spatial Strategy (CS1.2). It says that 8800 dwellings will be provided between 2003 and 2025.
Policy CS6.2: Dwelling mix and type	South Lakeland Core Strategy (2010)	This policy aims to deliver a mix of housing sizes and types, including low-cost market housing. It also sets out the need for housing to be adaptable to the needs of several groups of people, including the elderly, young families and those with physical impairments.

⁵ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁶ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁷ Available at <https://www.southlakeland.gov.uk/planning-and-building/south-lakeland-local-plan/the-local-plan/>

⁸ Available at <https://www.southlakeland.gov.uk/media/6043/lfs-update-october-2018.pdf>

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

Policy	Source	Provisions
Policy CS6.3: Provision of affordable housing	South Lakeland Core Strategy (2010)	This policy sets out the need for an appropriate amount of affordable housing in order to meet local need. A minimum of 35% of all dwellings should be affordable on schemes delivering three or more dwellings in the areas outside of Principal/Key Service Centres.
Policy CS6.4: Rural Exception Policy	South Lakeland Core Strategy (2010)	This policy states that where appropriate, the council will extend support for the implementation of affordable housing 'exception' schemes—that is, where the provision of mixed housing sites is deemed inappropriate, the council will permit developments of 100% affordable housing (given the local community supports the same).
Policy CS6.5a: Gypsies and Travellers	South Lakeland Core Strategy (2010)	This policy states additional provision—in line with Policy CS1—will be made to meet the needs of the gypsies and travellers in the district.
Policy CS6.5b: Travelling Showpeople	South Lakeland Core Strategy (2010)	This policy states additional provisions will be made to meet the needs of travelling show people.
Policy CS6.6: Making effective and efficient use of land and buildings	South Lakeland Core Strategy (2010)	This policy states the Council will use land and buildings efficiently and in a manner that prevents the loss of greenfield sites, following NPPF guidelines on new developments and land use.
Policy LA1.1: Development Boundaries	South Lakeland: Land Allocations Development Plan Document (2013)	This policy provides for the sustainable development of new homes and workplaces by defining development boundaries for a set of locations, including the NA.
Policy LA1.3: Housing Allocations	South Lakeland: Land Allocations Development Plan Document (2019)	This policy sets out a list of identified sites that have been allocated to serve as locations for the delivery of a range of types and sizes of housing. There are two sites located within the NA—first, the land adjacent to Hall Park (70 dwellings) and next, the village recreation field and tennis courts (23 dwellings).
Policy DM11: Accessible and Adaptable Homes	South Lakeland Development Management Policies Development Plan Document (2019)	This policy provides that homes should be both accessible and easily adaptable to people's changing needs through the course of their lifetimes.
Policy DM12: Self-Build and Custom Build Housing	South Lakeland Development Management Policies Development Plan Document (2019)	This policy states the councils support for self-build and custom build housing.
Policy DM13: Housing Development in Small Villages and Hamlets outside the Arnside and Silverdale AONB	South Lakeland Development Management Policies Development Plan Document (2019)	This policy sets out the council's criteria for the scale and form of housing developments in small villages and hamlets. It also reiterates Policy DM12.
Policy DM14: Rural Exception Sites	South Lakeland Development Management Policies Development Plan Document (2019)	This policy serves as an update on Policy CS6.4 from the Core Strategy and states attention be paid to new legislation and national policy on the role of market housing on rural exception sites.
Policy DM15: Essential Dwellings for Workers in the Countryside	South Lakeland Development Management Policies Development Plan Document (2019)	This policy sets out a policy framework for the provision of dwellings for those that work in agricultural and rural jobs in the countryside.

Source: [South Lakeside Local Plan, 2010]

2.2.2 Quantity of housing to provide

31. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
32. South Lakeland has not yet fulfilled that requirement by providing Burneside with a definitive number of dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period. However, South Lakeland may provide such a figure upon request in due course. As such, the question of how many houses to plan for is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).

3. Approach

3.1 Research Questions

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

3.1.1 Tenure and Affordability

35. 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.
36. This evidence will allow Burnside to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

3.1.2 Type and Size

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

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

3.2 Relevant Data

3.2.1 Local authority evidence base

39. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Burnside Neighbourhood Area is located within South Lakeland's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA) which is known as the South Lakeland Strategic Housing Market Assessment, published in October 2017.
40. For the purpose of this HNA, data from South Lakeland's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

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

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

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

4.1 Introduction

42. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within Burnside. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.¹⁰

4.2 Definitions

43. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
44. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹¹
45. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

46. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents census data from 2011; this table shows the distribution of how households occupy their homes within Burnside, compared to the rest of South Lakeland and England.
47. The data shows us that 63.9% of households in Burnside own their homes outright, which is marginally higher than the percentage for England (63.3%) but lower than the percentage total for South Lakeland (73.0%). Furthermore, 21.6% of homes in Burnside are socially rented, which is far higher than the total for South Lakeland (10.4%) and England (17.7%). Burnside also has a lower percentage of private rented homes than its wider geographies—12.8% of households in the NA privately rent their homes, as compared to 14.2% in South Lakeland and 16.8% in England as a whole.

¹⁰ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹¹ NPPF 2019.

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

Tenure	Burnside	South Lakeland	England
Owned; total	63.9%	73.0%	63.3%
Shared ownership	0.4%	0.5%	0.8%
Social rented; total	21.6%	10.4%	17.7%
Private rented; total	12.8%	14.2%	16.8%

Source: Census 2011, AECOM Calculations

48. In Table 4-2, we note the changes in tenure during the intercensal period. In line with South Lakeland, Burnside saw an increase in total home ownership over the period. Both the NA and South Lakeland deviated with the national trend in this regard, which experienced a decrease in home ownership over the same period. Shared ownership decreased greatly over this period, declining by 66.7% (though from a low base) while it increased in the wider geographies. While the social rented sector also experienced a minor decline, going from 150 socially rented dwellings to 149 over the period. Finally, the private rented sector experienced an increase by 27.5%, indicating that more households were able to afford market rents over the period, or perhaps elected to occupy that tenure in the absence of sufficiently affordable home ownership options.

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

Tenure	Burnside	South Lakeland	England
Owned; total	0.7%	2.3%	-0.6%
Shared ownership	-66.7%	22.2%	30.0%
Social rented; total	-0.7%	5.0%	-0.9%
Private rented; total	27.5%	57.1%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability

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

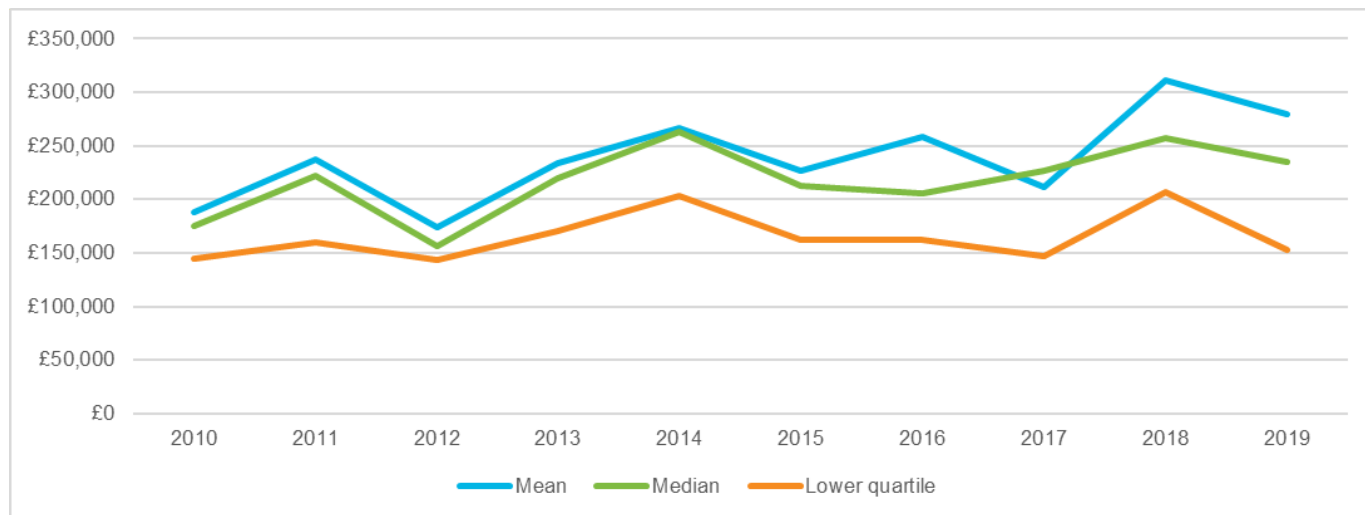
4.4.1 House prices

51. 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.
52. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹² Entry-level properties are typically those with one or two bedrooms – either flats or houses.
53. Figure 4-1 below looks at selected measures of house prices in Burnside. The data is drawn from transactions in the LA9 postcode area rather than the specific boundaries of the neighbourhood area because of the very low number of

¹² See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

transactions. It shows that over the last 10 years (to the end 2019), house prices in the wider postcode have increased slightly, increasing from 2012 to 2014 and then experiencing a sharp decline after 2014. Mean house prices increased by 48.3% over the period, and median prices increased by 34.4%. Lower quartile prices experienced only a marginal increase of 5.9% over the period. The price of an average (mean) property in the NA was £278,921 at the end of 2019. A lower quartile (entry level) property was priced at £153,000 at the end of 2019.

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



Source: Land Registry PPD

54. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It appears to show that the price of detached homes grew exponentially, experiencing a 190.6% growth over the period. However, this is due to an anomaly in 2010. If detached price growth is benchmarked from 2011, it reduces to 35.2% over a nine-year period. The price of semi-detached houses increased by 40.1% and terraced houses experienced a 15.5% rise in price. The overall average is 48.3%

Table 4-3: House prices by type in Burnside, 2010-2019, 000's

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growt-h
Detached	£150,000	£322,375	£239,500	£235,750	£298,000	£368,467	£383,750	£310,250	£449,200	£435,833	190.6%
Semi-detached	£215,500	£266,500	£168,814	£256,125	£267,925	£195,267	£296,250	£253,184	£250,200	£302,000	40.1%
Terraced	£158,010	£175,300	£162,357	£199,833	£241,857	£200,222	£161,813	£205,000	£227,500	£182,556	15.5%
Flats	--	£91,000	-	-	--	-	£95,000	£112,000	-	£93,000	0.0%
All Types	£188,137	£237,325	£173,623	£233,125	£266,142	£226,611	£258,861	£211,517	£311,475	£278,921	48.3%

Source: Land Registry PPD

4.4.2 Income

55. 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 Burnside.
56. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published

by ONS¹³ at the level of the Middle-layer Super Output Area (MSOA)¹⁴. In the case of Burnside, the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is MSOA E02004017. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

57. The average total household income before housing costs (equalised) across E02004017 in 2018 was £34,500, while the average total annual income was £51,267. The latter figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁵
58. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level.
59. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2018 provisional data has been published, the revised 2017 data is considered more robust and is therefore used here.
60. South Lakeland's gross LQ weekly earnings for 2017 was £244, or approximately £12,709 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £25,418.

4.4.3 Affordability Thresholds

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

¹³Available at

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

¹⁴ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

¹⁵ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

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

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes?	Affordable on LQ 1 incomes?	Affordable on LQ 2 incomes?
Market Housing						
Median House Price	£211,500	-	£60,429	No	No	No
LA New Build Mean House Price	£301,255	-	£86,073	No	No	No
LQ/Entry-level House Price	£137,700	-	£39,343	Yes	No	No
Average Market Rent	-	£7,200	£23,976	Yes	No	Yes
Entry-level Market Rent	-	£7,884	£26,254	Yes	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£188,000	-	£48,343	Yes	No	No
Discounted Market Sale (-30%)	£164,500	-	£42,300	Yes	No	No
Discounted Market Sale (-40%)	£141,000	-	£36,257	Yes	No	No
Shared Ownership (50%)	£30,214	£9,782	£39,996	Yes	No	No
Shared Ownership (25%)	£15,107	£14,673	£29,780	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,876	£19,567	Yes	No	Yes
Social Rent	-	£4,806	£16,005	Yes	No	Yes

Source: AECOM Calculations

64. The income required to afford the different tenures is then benchmarked, in Figure 4-2 against the three measurements of household income set out above. These are the average total household income for E02004018 at £51,267 and the lower quartile gross earnings for South Lakeland for single-earners at £12,709 and dual-earning households at £25,418.
65. The following observations in relation to discounted market products can be made:
- The minimum discount on the average market sale price required to enable households on mean incomes to afford to buy is 15.2%, so products providing a 20% or 30% discount (including First Homes) would be suitable in Burnside.
 - However, whether discounted market sale is affordable will depend whether properties are indeed priced in relation to average market sale prices, or new build prices – which would require a much greater (40%) discount. The difference in affordability in relation to this issue is presented in Table 4-5 below. A discount of 40% or more may still be achievable, but should not be taken as a given. What discounts will be realistic to expect in practice will be determined by local issues of viability and other factors.
 - New build homes are often more expensive than properties for sale in the second-hand stock, so there is a risk that 20-30% discounts on new build prices may make homes no more affordable than entry level properties in the existing stock, therefore not widening housing access to the groups most in need.
 - Discounted market sale homes may also 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 £105,000.¹⁶ This cost excludes any land value or developer profit.
 - The income required to access Rent to buy is the same as that required to afford market rents (£23,976). Given that this income is lower than both the mean income and dual LQ income, this could represent a suitable option for affordable home ownership in the NA.

¹⁶ This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

- It is important to caveat that the Neighbourhood Plan is limited in its ability to control or influence the level of discount achieved on market sale properties. The LPA should have a role here, and it may be useful for the neighbourhood group to discuss this issue with them, given that high discounts appear to be necessary to make relevant products meaningfully affordable to local people.
66. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than the median household income. The income required to buy an average entry-level home for sale is similarly higher than what would be available to those on lower quartile household incomes, even where two members may be earning. An entry-level house might, however, be accessible to those on median incomes.
67. Table 5-4 shows that households with incomes between £26,254 and £39,343 are able to rent in the market but would likely struggle to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. For those on mean incomes the most suitable forms of tenure would be either Discount Market Sale (at all levels of discount) or Shared Ownership (at all shares). Rent to Buy is likely to be affordable to households able to afford average market rents and therefore may offer an affordable route to home ownership for households able to afford these rents. This would also be a viable option for those on dual LQ incomes but not those relying on single household LQ incomes.
68. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Burnside a 30% discount on average prices would be sufficient to extend home ownership to households on median incomes.
69. Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes, as discussed above.

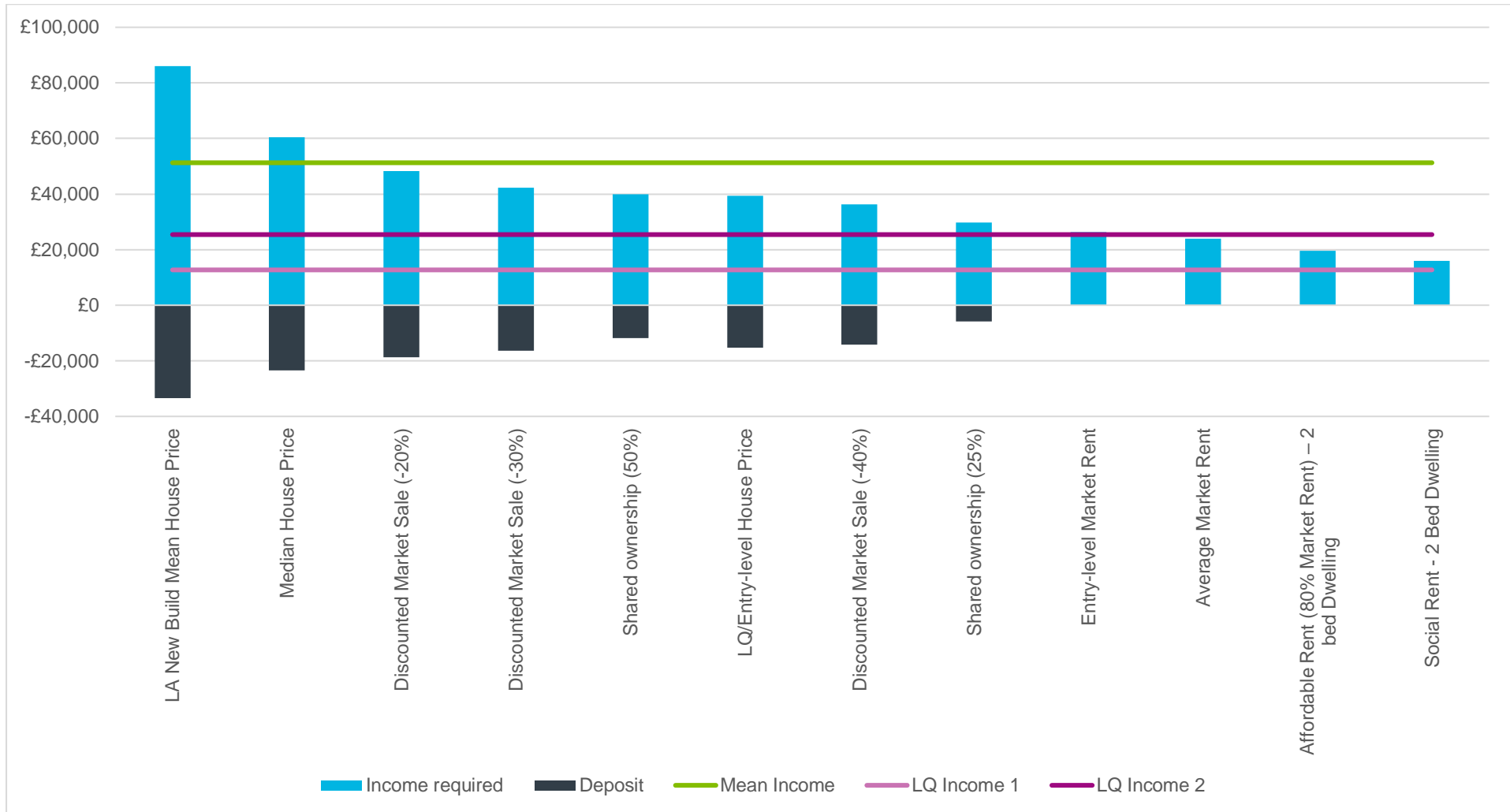
Table 4-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford

Mean household income in NA:	£51,267
Tenure/ product:	Discount on sale price required:
Market sale (Average)	15.2%
New build market sale (Average for LA)	40.4%
Entry level sale (LQ)	-

Source: Land Registry PPD; ONS MSOA total household income

70. Finally, the inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures might not extend accessible housing options to those on lower quartile household incomes, unless there are two members that are earning or additional subsidy is provided.
71. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Burnside, the figure below suggests that the most appropriate tenures to help implement this policy goal locally are shared ownership at lower equity shares.

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



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

72. The starting point for understanding the need for affordable housing in Burnside is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for South Lakeland in 2017. 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. While the SHMA identifies an overall housing need for 153 dwellings per annum across South Lakeland, it does not provide a figure for the number of affordable homes that should be planned for each year.
73. In Figure 4-7 below we have calculated, using PPG as a starting point,¹⁷ an estimate of the total need for affordable rented housing in Burnside 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 below are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
74. As per our calculations, there is a -2.75 shortfall per annum, suggesting there is sufficient affordable housing in the NA. Or more precisely, that expected rates of turnover in the existing stock as current residents move on, are expected to be sufficient to accommodate newly arising need. This is primarily a result of the unusually high proportion of social rented housing in Burnside already. In 2011, 22% of the NA's population lived in socially rented housing while 12.7% lived in private rented housing and only 0.4% lived in shared accommodation.

Figure 5-7: Estimate of the potential demand for affordable housing for rent in Burnside

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Local Authority waiting list	12.57%	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Neighbourhood level data not available from LA.
1.1 Current households in need	24	Housing Register Data (December 2019) as provided by South Lakeland District Council
1.2 Per annum	0.60	1.1 divided by the plan period 2021-2040
STAGE 2: NEWLY ARISING NEED		
2.2.1 New household formation	37.14	MHCLG 2014-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	24.05%	(1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	146.45	2011 Census + LA-level % increase (MHCLG, Live Table 100)
2.2.2 Number of private renters on housing benefits	10.82	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	8.93	2.1 * 2.2
2.4 Per annum.1 New household formation	0.45	2.3 divided by plan period 2021-2040
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers)	4.4	South Lakeland provided relets for the period 2015-2020 which have been annualised
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	-2.75	1.2 + 2.4 - 3.2

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

75. Figure 4-8 estimates potential demand for affordable home ownership products within Burnside. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model

¹⁷ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

aims to estimate the number of households who can rent but can't buy based on their incomes. The table shows that there are expected to be about 68 households in Burnside unable to buy affordable rented homes suitable to their needs during the Plan period.

76. It is important to note that there may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice.
77. It is also important to keep in mind that the households identified in the estimate in Figure 4-8 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
78. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
79. It is also important to remember that even after the Burnside, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
80. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

Figure 4-8: Estimate of the potential demand for affordable housing for sale in Burnside

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	107.3	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	15.3%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	16.4	1.1 x 1.2
1.4 Current need (households)	68.1	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	3.6	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	37.1	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	10.4%	Current % of households in PRS
2.3 Total newly arising need	3.9	2.1 x 2.2
2.4 Total newly arising need per annum	0.3	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	5.4	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.3	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	3.6	Shortfall = (Step 1.5 + Step 2.4) – 3.2

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

4.5.1 Additional SHMA findings

81. The South Lakeland SHMA (2017) provides some key findings relevant to the Tenure and Affordability theme of this chapter.

- The SHMA describes South Lakeland as having a unique profile in terms of its economic profile—it has very low levels of unemployment, which given the older age profile of the area, suggests that people in the district might work longer.
- The dwelling stock of the district is predominantly larger homes as well as a high proportion of detached homes.
- Stakeholder interviews with letting agents operating close to the Burnside (Kendal) revealed that starter homes for first time buyers were needed but had to be priced at £100,000 if there were to be affordable. Furthermore, agents said there was a lack of good quality housing for first time movers between the range of £200,000 to £250,000.

4.5.2 Affordable Housing Policies in Burnside

82. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Burnside. South Lakeland's Local Plan policy in relation to Affordable Housing delivery requires that 35% of all new housing should be affordable, but does not provide a guideline breakdown for what proportion of Affordable Housing should be affordable rented homes versus affordable routes to home ownership. As such, this is a policy area that the Burnside neighbourhood plan may wish to explore.
83. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Burnside.
- A. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Burnside to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 68 homes over the plan period. As per AECOM's calculations of rented homes, we found a shortfall of -3.37, that is, current stocks of affordable rented housing in the NA are expected to be sufficient. Given the current rate of turnover, there might not be a need to prioritise new build projects.
- B. **Can Affordable Housing needs be met in full?** Burnside does not currently have a HRF so it is not possible to determine whether likely affordable housing delivery will be sufficient to meet the needs identified here.
- C. **Government policy (e.g. NPPF) requirements:** Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. Since the Local Plan requires 35% of all homes to be affordable, at least 28% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing. There is no evidence that going beyond the 10% threshold in Burnside would prejudice the provision of affordable rented homes because turnover in the existing stock is expected to be sufficient.
- D. **Emerging policy:** The Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). Proposals include the requirement to provide 40, 60 or 80% of Affordable Housing as First Homes.¹⁸ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, prioritising the provision of discounted market sale homes. The neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.
- If Government requires 40-80% of all affordable housing delivered through new market led developments as First Homes this might not impact on the ability of Burnside to accommodate those with acute needs within the area (because this HNA identifies the current stock of affordable rented housing to be sufficient to accommodate anticipated needs).
- E. **Local Plan policy:** The Local Plan does not mention a specific tenure mix.

¹⁸https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf

- 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 Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- 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 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 Burnside:** There is already at presented a higher proportion of social renting in Burnside than wider South Lakeland, and a relatively low proportion of shared ownership homes. This suggests that there is greater scope to diversify the tenure mix in the direction of more affordable routes to home ownership.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area.
- J. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Burnside and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.
84. Figure 5-4 below provides an indicative tenure split which could be delivered within the NA based on the considerations above. The main consideration informing this recommendation is AECOM's estimate that the existing stock of affordable rented housing is likely to be sufficient to accommodate newly arising need, and therefore that affordable routes to home ownership should be given greater priority than national policy advises. Because needs may change in future it would be prudent to keep delivering affordable rented housing for those on the lowest incomes. As such a relatively arbitrary even split of 50% rented and 50% ownership stock is proposed.
85. Evidence on the affordability of different affordable home ownership products suggest that discounted market homes (including proposed First Homes at a 30% discount) would extend home ownership in this area. Our analysis found discounted market homes to be an affordable option. However, compared to shared ownership products (shares of 25-50%), discounted market sales required a higher income threshold. Even so, each of these products are deemed affordable to those on mean incomes. It is worth noting that market rents in the NA are also affordable—thus, the rent to buy tenure may also be suitable. There is a range of affordable housing options for those on mean incomes, ranging from discounted market homes to shared ownership and rent to buy housing products, so these have been weighted relatively evenly in the split below. However, the extent to which each of these different products are prioritised will depend on the wider considerations (eg viability) and emerging Government requirements.
86. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
87. Where the neighbourhood planners wish to develop policy that requires a more prescriptive or different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.

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

Routes to home ownership, of which	50%
Discounted market sale	20%
Shared ownership	20%
Rent to buy	10%
Affordable Housing for rent, of which	50%
Social rent	To be established by Registered Providers
Affordable rent	To be established by Registered Providers

Source: AECOM calculations

4.6 Conclusions- Tenure and Affordability

88. In terms of the current tenure profile of Burneside, the data shows us that 63.9% of households in Burneside own their homes outright, which is higher than the percentage for England (63.3%) but lower than the percentage total for South Lakeland (73.0%). Furthermore, 21.6% of homes in Burneside are socially rented, which is higher than the total for South Lakeland (10.4%) and England (17.7%). Burneside also has a lower percentage of private rented homes than its wider geographies—12.8% of households in the NA privately rent their homes, as compared to 14.2% in South Lakeland and 16.8% in England as a whole. In terms of tenure change over the period, the number of households in socially rented housing remained almost the same over the period, while other types of rent options experienced fluctuations.
89. The South Lakeland District Council SHMA (2017) describes South Lakeland as having a unique economic profile—it has very low levels of unemployment, which given the older age profile of the area, suggests that people in the district might work longer. It also found that the dwelling stock of the district is predominantly larger homes as well as a high proportion of detached homes. Additionally, stakeholder interviews with letting agents operating close to the Burneside (Kendal) revealed that homes for first time buyers were needed but had to be priced at £100,000 if there were to be affordable. Furthermore, agents said there was a lack of good quality housing for first time movers between the range of £200,000 to £250,000.
90. In terms of changes in house prices, our research found that prices in the LA9 postcode have increased slightly, increasing from 2012 to 2014 and then experiencing a sharp decline after 2014. Mean house prices increased by 48.3% over the period, and median prices increased by 34.4%. Lower quartile prices experienced only a marginal increase of 5.9% over the period. The price of an average (mean) property in the NA was £278,921 at the end of 2019. A lower quartile (entry level) property was priced at £153,000 at the end of 2019.
91. In order to determine affordability thresholds, we used three income indicators. The net annual household income before housing costs (equalised) across E02004017 in 2001 was £34,500, while the average total annual income was £51,267. The latter figure is typically used by mortgage lenders to assess a household's ability to afford to borrow. South Lakeland's gross lower quartile (LQ) weekly earnings for 2017 was £244, or approximately £12,709 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £25,418.
92. Using this data, the incomes required to afford various tenures were benchmarked against the various incomes set out above. It was found that the income required to buy an average market home for sale is higher than what would be available to those on median household incomes. The income required to buy an average entry-level home for sale is similarly unaffordable for those on lower quartile household incomes, even where two members may be earning. An entry-level house might, however, be accessible to those on median incomes.
93. Turning to properties for purchase through affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market, households on median incomes can afford all of the products under consideration. For those on lower quartile household incomes, neither the range of discounted market home options nor the shared ownership products would be accessible, even when two members may be earning.
94. Next, the quantity of affordable housing needed for sale and for rent in the NA were determined. The calculations for affordable housing for rent found that there is a -3.37 shortfall per annum, meaning there is sufficient affordable housing in the NA. However, this figure should be interpreted carefully—a shortfall does not necessarily mean there

should be no new builds in the future, but that given the current rate of turnover, there is likely to be a sufficient supply for affordable housing each year, without new build projects. In 2011, 22% of the NA's population lived in socially rented housing while 12.7% lived in private rented housing and only 0.4% lived in shared accommodation.

95. The potential demand for affordable home ownership products within Burnside was then estimated. We found there are will be approximately 68 households in Burnside unable to buy affordable rented homes suitable to their needs during the Plan period.
96. An appropriate balance between the two main forms of Affordable Housing (rented options for those with the most urgent needs and routes to ownership for those who aspire to buy) would be a roughly 50/50 split.

6. 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?

6.1 Introduction

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

6.2 Existing types and sizes

6.2.1 Background and definitions

99. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
100. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
101. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ can be translated as follows¹⁹:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
102. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.²⁰ As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
103. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “*One person living alone or a group of people (not necessarily related) living at the same*

¹⁹ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁰ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²¹ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

6.2.2 Dwelling type

104. The 2011 Census shows that there were 690 households in Burnside, living in 177 detached houses, 210 semi-detached, 233 terraced houses, and 145 flats. Compared with the South Lakeland, Burnside has a similar profile—the NA has a slightly lower number of whole houses or bungalows (80.9%) than South Lakeland (84%) and a slightly higher number of flats (18.9%) than the wider district (15.6%). The most popular type of dwelling is the terraced bungalow (30.4%) and the percentage of terraced homes in the NA is higher than the amounts for South Lakeland (24.8%) and England (24.5%). Conversely, Burnside has no flats located in commercial buildings and a small share of flats located as parts of shared houses (3.2%) as compared to its comparator geographies.

Table 6-1: Accommodation type (households), 2011

Dwelling type		Burnside	South Lakeland	England
Whole house or bungalow	Detached	23.1%	30.8%	22.4%
	Semi-detached	27.4%	28.4%	31.2%
	Terraced	30.4%	24.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	15.8%	9.4%	16.4%
	Parts of a converted or shared house	3.1%	4.5%	3.8%
	In commercial building	0.0%	1.7%	1.0%

Source: ONS 2011, AECOM Calculations

6.2.3 Dwelling size

105. Table 6-2 below sets out the distribution of the number of rooms by household space. The housing stock in Burnside is characterised by a large number of homes with 5 and 6 rooms (52.3%), Compared to South Lakeland (6.6%), Burnside has a smaller percentage of three-room homes (3.6%). Burnside also has a relatively lower stock of dwellings with eight or more rooms (12.7%) as compared to South Lakeland (16.5%). However, aside from these minor differences, both geographies have similar profiles.

Table 6-2: Number of rooms per household, 2011

Number of Rooms	Burnside	South Lakeland
1 Room	0.1%	0.3%
2 Rooms	1.6%	2.0%
3 Rooms	3.6%	6.6%
4 Rooms	17.8%	17.6%
5 Rooms	28.1%	23.7%
6 Rooms	24.2%	20.7%
7 Rooms	11.3%	12.7%
8 Rooms or more	6.7%	7.9%
9 Rooms or more	6.5%	8.6%

Source: ONS 2011, AECOM Calculations

106. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that Burnside experienced a significant decrease in the number of two-and three-room dwellings over the period. Burnside experienced a 43.4% decrease while its comparator geographies experienced increases of 55.3% (South Lakeland) and 44.6% (England) over the same period. Furthermore, while South Lakeland and England as a whole both experienced a decrease in the number of one-room dwellings over the period, Burnside saw no change in that realm. Another important finding is that the

²¹ Ibid.

increase in the number of dwellings with seven-and eight-rooms or more—Burnside experienced a 22.1% increase, which while lower than changes in its comparator geographies, is still indicative of the building of larger homes in general.

Table 6-3: Rates of change in number of rooms per household, 2001-2011

Number of Rooms	Burnside	South Lakeland	England
1 Room	0.0%	-38.1%	-5.2%
2 Rooms	-26.7%	33.0%	24.2%
3 Rooms	-16.7%	22.3%	20.4%
4 Rooms	-0.8%	1.8%	3.5%
5 Rooms	-8.5%	-6.0%	-1.8%
6 Rooms	5.0%	3.1%	2.1%
7 Rooms	8.3%	16.4%	17.9%
8 Rooms or more	13.8%	17.4%	29.8%

Source: ONS 2001-2011, AECOM Calculations

107. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 6-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Burnside has fewer one-bedroom dwellings than the wider geographies. It also shows that there is relatively higher number of three-bedroom dwellings in the NA (49.6%) as compared to South Lakeland (42.7%) and England (41.2%). The difference in the proportion of homes with four or five bedrooms is slight—there is roughly the same percentage of dwellings of this size in Burnside as there is in South Lakeland and England.

Table 6-4: Number of bedrooms in household spaces, 2011

Bedrooms	Burnside		South Lakeland		England	
All categories: Number of bedrooms	690	100.0%	46,552	100.0%	22,063,368	100.0%
No bedrooms	1	0.1%	87	0.2%	54,938	0.2%
1 bedroom	26	3.8%	3,409	7.3%	2,593,893	11.8%
2 bedrooms	187	27.1%	13,012	28.0%	6,145,083	27.9%
3 bedrooms	342	49.6%	19,870	42.7%	9,088,213	41.2%
4 bedrooms	90	13.0%	7,493	16.1%	3,166,531	14.4%
5 or more bedrooms	44	6.4%	2,681	5.8%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

6.3 SHMA findings

108. The South Lakeland District Council SHMA (2017) provides some key findings relevant to the type and size HNA topic. They are summarised below:

- Areas with a greater number of detached properties (generally rural areas) have higher prices, whilst areas with smaller, flatter units have lower prices.
- The Kendal Rural Sub-Area is covered by two National Parks in addition to the Arnsdale and Silverdale AONB. Agents report the sales activity in this area is thus relatively low because of its rural nature.
- The SHMA also notes that the Rural Kendal Sub-Area has “low housing activity” and comparatively “modest values” owing to the difference in the communising patterns, the housing mix and accessibility of the area and should thus be considered a separate sub-market.

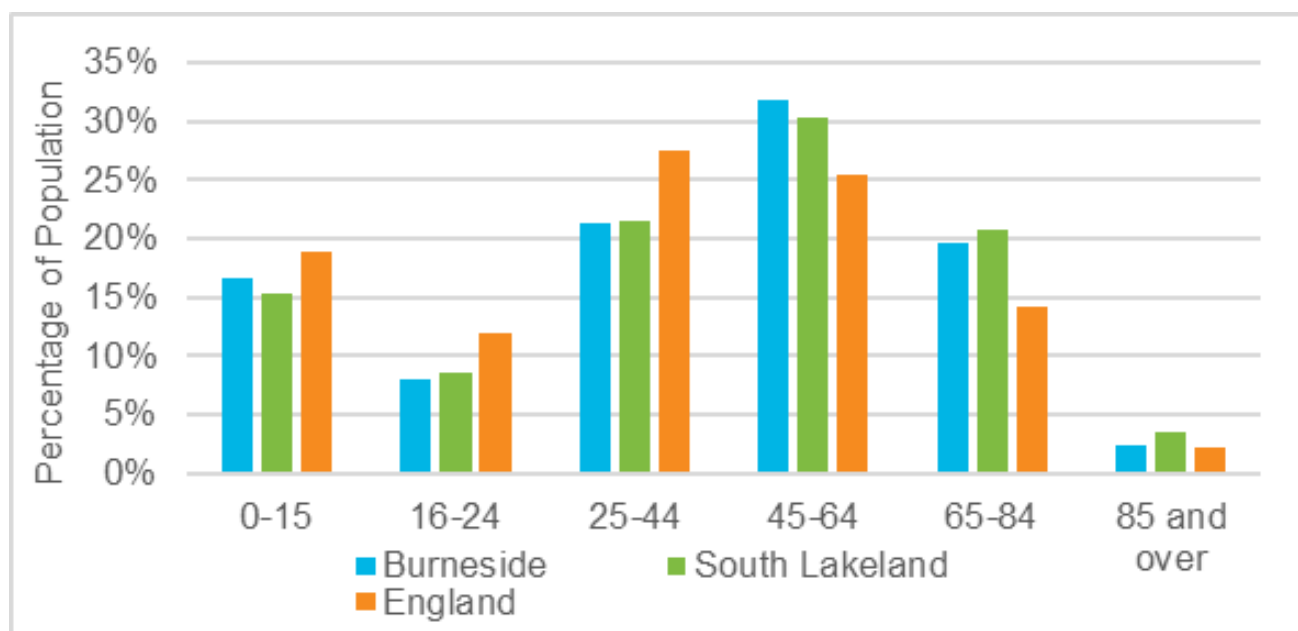
6.4 Household composition and age structure

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

6.4.1 Age structure

110. The 2011 Census data reveals that Burnside has a higher number of people between the ages of 45-64 than both wider geographies and a lower percentage of people in the working age population (16-44). Burnside's population of those falling under the age of 85 is lower than South Lakeland and only marginally higher than the figure for England. However, since there is a large number of people in age group 45-64, the number of people likely to enter the retirement age over the Plan period (or have already done so since the last census) is likely to be larger than its comparator geographies. Based on the data below, it can be said that Burnside has an ageing population—this trend can only be expected to accelerate going forward, especially since the number of people between the ages of 0-15 are very low (see Figure 6-1 below).

Figure 6-1: Age structure in Burnside, 2011



Source: ONS 2011, AECOM Calculations

111. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has seen a substantial increase in the population of the elderly—Burnside experienced an increase of 146.7%, whilst experiencing decreases in the working age population (-22.7%). While South Lakeland experienced a decrease in the aggregate working age population as well (-11.2%), the change in Burnside is much greater. This indicates that the NA has a rapidly aging population and will likely experience pressures in accommodating the needs of such a demographic in the future (see 6-5 below).

Table 6-5: Rate of change in the age structure of the population, 2001-2011

	Burnside	South Lakeland	England
0-15	-15.9%	-10.0%	1.2%
16-24	-3.8%	2.8%	17.2%
25-44	-18.9%	-14.0%	1.4%
45-64	1.4%	10.3%	15.2%
65-84	24.8%	15.7%	9.1%
85 and over	146.7%	22.7%	23.7%

Source: ONS 2001-2011, AECOM Calculations

6.4.2 Household composition

112. Household composition (i.e. the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
113. In assessing Census data on household composition, we see that Burnside has a higher percentage of one-family households than its comparator geographies, with correspondingly fewer people living in one-person households. Of the 67.2% of one family households, 22.8% have no children, which is marginally higher than the percentage of households without children in both South Lakeland (21.6%) and England (17.6%). Slightly less than half (12.8%) of all residents in one-person households are aged 65 and above, which is consistent with the age profile of the NA. The other part likely comprises people between the ages of 45-64 (Table 6-6).
114. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 6-6: Household composition (by household), Burnside, 2011

		Burnside	South Lakeland	England
One-person household	Total	27.2%	32.4%	30.2%
	Aged 65 and over	12.8%	16.3%	12.4%
	Other	14.5%	16.1%	17.9%
One family only	Total	67.2%	63.0%	61.8%
	All aged 65 and over	13.8%	12.5%	8.1%
	With no children	22.8%	21.6%	17.6%
	With dependent children	21.0%	20.9%	26.5%
	All children Non-Dependent	9.7%	8.0%	9.6%
Other household types	Total	5.5%	4.6%	8.0%

Source: ONS 2011, AECOM Calculations

115. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, Burnside experienced a growth in the number of one-person households, however this was a lesser increase than seen in its comparator geographies over the same period. Furthermore, the proportion of people aged 65 and above living in one-person households decreased by 12.9%, which is higher than the total for England (-7.3%) and South Lakeland (1.5%). Consistent with its profile as an ageing neighbourhood, the proportion of one family households occupied by those 65 and above increased by 20.3%. Moreover, given that the proportion of young people (aged between 0-15) also declined over this period, the proportion of people occupying households with non-dependent children increased by 26.4%. Thus, the main changes in household composition were a decreased preference for one family households (-4.7%) and increases in preference for other types of households (+46.2%), which could be interpreted as increasing numbers of people living in shared or multi-family households.

Table 6-7: Rates of change in household composition, 2001-2011

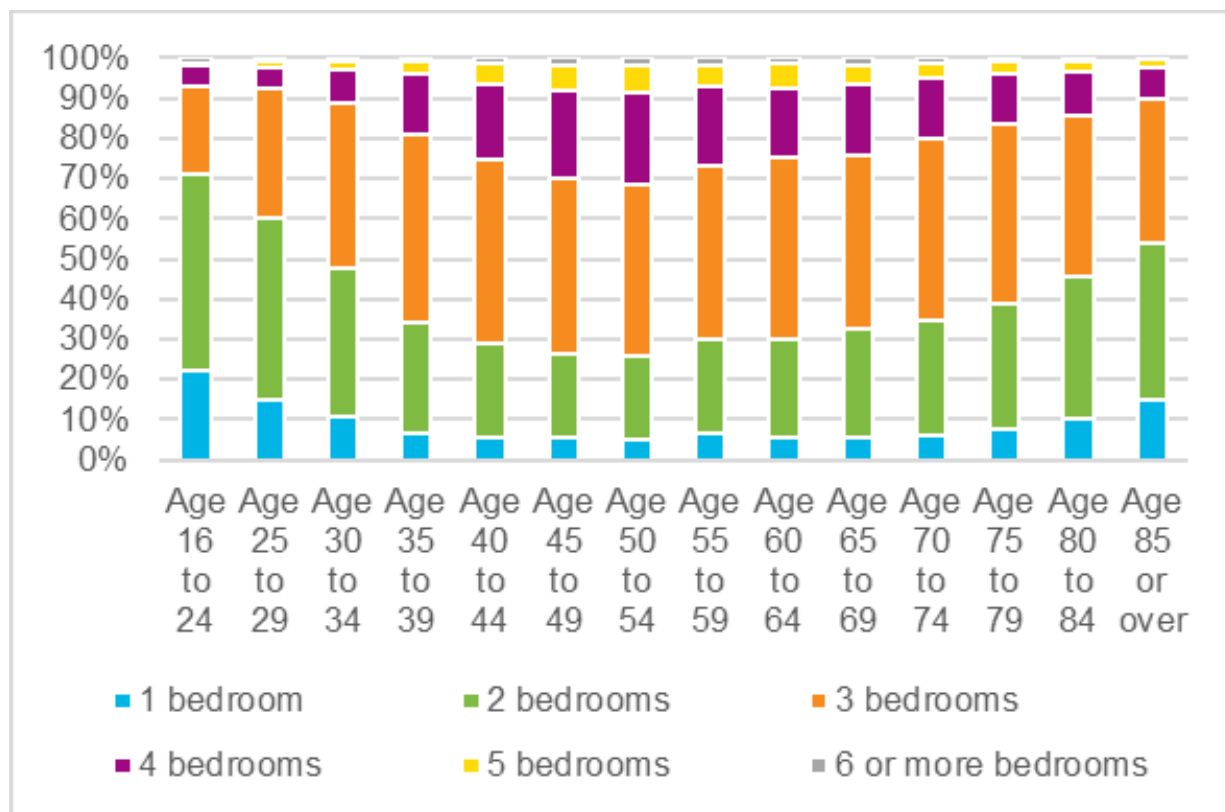
Household type		Percentage change, 2001-2011		
		Burnside	South Lakeland	England
One person household	Total	6.8%	14.3%	8.4%
	Aged 65 and over	-12.9%	1.5%	-7.3%
	Other	33.3%	31.1%	22.7%
One family only	Total	-4.7%	2.0%	5.4%
	All aged 65 and over	20.3%	5.6%	-2.0%
	With no children	-13.3%	7.0%	7.1%
	With dependent children	-16.7%	-3.8%	5.0%
	All children non-dependent	26.4%	-0.3%	10.6%
Other household types	Total	46.2%	-1.6%	28.9%

Source: ONS 2001-2011, AECOM Calculations

6.5 Dwelling mix determined by life-stage modelling

116. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged over 65 will lead to an increase in the need for the type of housing currently occupied by households of that age.
117. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
118. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
119. Figure 6-2 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that three-bedroom homes were the most popular dwelling type, preferred by eleven of the fourteen age bands considered here—being the most popular option for those between the ages of 30-84. Homes with six or more bedrooms are the least popular, across age bands, whilst five-bedroom homes are similarly unpopular on either ends of the age ranges, gaining some popularity between the ages of 40-64. The second more popular dwelling type is the two-bedroom home, followed by one-bedroom homes.

Figure 6-2: Age of household reference person by dwelling size in South Lakeland, 2011



Source: ONS 2011, AECOM Calculations

120. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 6-8 below.

Table 6-8: Projected distribution of Households by age of HRP at the District level

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	733	4,010	16,064	9,355	16,390
2014	732	3,836	15,107	8,733	18,499
2039	623	3,442	12,913	7,390	25,421
2040	619	3,426	12,825	7,337	25,698

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

121. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Burnside. To do so, the percentage increase expected for each group across South Lakeland, derived from the data presented above was mapped to the population of Burnside. The results of this calculation are detailed in Table 6-9 below. The age band corresponding to households 65 years and up is expected to increase, while all others are expected to stagnate and then ultimately decline.

Table 6-9: Projected Distribution of Households by age of HRP, Burnside

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	8	58	240	166	403
2014	8	55	226	155	455
2040	7	50	193	131	625

Source: AECOM Calculations

122. Table 6-10 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across South Lakeland by the end of the plan period.

Table 6-10: Age of household reference person to size, South Lakeland

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	22.2%	12.6%	5.6%	6.0%	8.4%
2 bedrooms	48.7%	40.3%	22.8%	24.0%	31.3%
3 bedrooms	22.3%	37.6%	44.5%	44.2%	42.2%
4 bedrooms	4.9%	7.1%	20.0%	18.6%	13.6%
5+ bedrooms	1.9%	2.5%	7.2%	7.2%	4.5%

Source(s): ONS 2011, AECOM Calculations

123. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in South Lakeland and Burnside falling into each of these stages by the end of the Plan period in 2040, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 6-11 below).

124. The table takes in turn each projected age group in 2040, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

125. It is clear that the dominant age group of those aged 65 and over (who have started to occupy more three-bedroom dwellings than the second biggest group – those aged 35-54) has the greatest impact on the need for dwellings of different sizes.

Table 6-11: Projected Distribution of households by age of HRP, Burnside

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop	7	51	198	135	596	-
1 bedroom	2	6	11	8	50	77
2 bedrooms	3	20	45	32	187	288
3 bedrooms	2	19	88	60	252	420
4 bedrooms	0	4	40	25	81	150
5+ bedrooms	0	1	14	10	27	52

Source: Census 2011, AECOM Calculations

126. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in above modelling the change in the age structure of the population in Burnside.

127. Table 6-12 below indicates that, by 2040, the size distribution of dwellings should be more focused on the smaller end of the size spectrum than it is currently, with the proportions of homes with one to three bedrooms needing to increase

based on expected demographic changes. The demand for dwellings with five or more bedrooms is likely to decrease (see below).

Table 6-12: Size Distribution in 2011 compared to ideal distribution at the end of the Plan Period in Burnside

Number of bedrooms	2011		2040	
1 bedroom	26	3.8%	79	7.8%
2 bedrooms	187	27.1%	295	29.3%
3 bedrooms	342	49.6%	428	42.5%
4 bedrooms	90	13.0%	152	15.1%
5 or more bedrooms	44	6.4%	53	5.3%
Total households	690	100.0%	1,006	100.0%

Source: Census 2011, AECOM Calculations

128. Table 6-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 6-13: Misalignments of supply and demand for housing

Number of bedrooms	2011	2040	Change to housing mix	Recommended split
1 bedroom	26	79	53	16.6%
2 bedrooms	187	295	108	34.0%
3 bedrooms	342	428	86	27.1%
4 bedrooms	90	152	62	19.5%
5 or more bedrooms	44	53	9	2.8%

Source: Census 2011, AECOM Calculations

129. The result of the life-stage modelling exercise is that, in terms of demographic change, new development might involve the following share of dwelling sizes: 16.6% as one-bedroom homes, 34.0% as two-bedroom homes, 27.1% as three-bedroom homes, 19.5% as four-bedroom homes and 2.8% as homes with five or more bedrooms.

130. As of December 2019, there were 24 households on the Housing Register for Burnside. The data indicates that majority of need by size for affordable housing is 54% for 1-bedroom homes, 42% 2-bedroom homes and 4% 3-bedroom homes. It is, however, important to note that this data is merely a snapshot in time as of April 2020, and the needs on the register will change over time.

131. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

6.6 Conclusions - Type and Size

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

133. In terms of existing stock of housing, the data that there were 690 households in Burnside, living in 177 detached houses, 210 semi-detached, 233 terraced houses, and 145 flats. Compared with the South Lakeland, Burnside has a

similar profile—the NA has a slightly lower number of whole houses or bungalows (80.9%) than South Lakeland (84%) and a slightly higher number of flats (18.9%) than its comparator (15.6%).

134. When looking at homes delivered between 2001 and 2011, the main change from the 2001 Census findings is that Burnside experienced a significant decrease (43.3%) in the number of two- and three-room dwellings over the period and generally larger homes were built.
135. It is worth noting that there is a relatively higher share of three-bedroom dwellings in the NA (49.6%) as compared to South Lakeland (42.7%) and England (41.2%). The difference in the proportion of homes with four or five bedrooms is slight—there is roughly the same percentage of dwellings of this size in Burnside as there is in South Lakeland and England.
136. In terms of demographics, Burnside has a higher number of people between the ages of 45-64 than both wider geographies and a lower percentage of people in the working age population (16-44). Burnside's population of those falling under the age of 85 is lower than South Lakeland and only marginally higher than the figure for England. However, since there is a large number of people in age group 45-64, the number of people likely to enter the retirement age over the Plan period (or have already done so since the last census) is likely to be larger than its comparator geographies.
137. In assessing census data on household composition, it is evident that Burnside has a higher percentage of one-family households than its comparator geographies, with correspondingly fewer people living in one-person households. Of the 67.2% of one-family households, 22.8% have no children, which is marginally higher than the percentage of households without children in both South Lakeland (21.6%) and England (17.6%). Slightly less than half (12.8%) of all residents in one-person households are aged 65 and above, which is consistent with the age profile of the NA.
138. Furthermore, the data shows that between 2001 and 2011 Burnside experienced a growth in the number of one-person households. However this was a lesser increase than seen in its comparator geographies over the same period. The proportion of people aged 65 and above living in one-person households decreased by 12.9%, which is higher than the total for England (-7.3%) and South Lakeland (1.5%). Consistent with its profile as an aging neighbourhood, the proportion of one-family households occupied by those 65 and above increased by 20.3%.
139. The result of the HNA modelling suggests that by 2040, the size distribution of dwellings should be more focused on the smaller end of the size spectrum than it is currently, with the proportions of homes with one to three bedrooms needing to increase based on expected demographic changes. The demand for dwellings with five or more bedrooms is likely to decrease (see Table 6-12).
140. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for smaller homes.
141. As of December 2019, there were 24 households on the Housing Register for Burnside. The data indicates that the majority of need by size for affordable housing is 54% for 1-bedroom homes, 42% 2-bedroom homes and 4% 3-bedroom homes. It is, however, important to note that this data is merely a snapshot in time as of April 2020, and the needs on the register will change over time.

7. Conclusions

7.1 Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>In terms of the current tenure profile of Burnside, the data shows us that 63.9% of households in Burnside own their homes outright, which is higher than the percentage for England (63.3%) but lower than the percentage total for South Lakeland (73.0%). Furthermore, 21.6% of homes in Burnside are socially rented, which is higher than the total for South Lakeland (10.4%) and England (17.7%). Burnside also has a lower percentage of private rented homes than its wider geographies—12.8% of households in the NA privately rent their homes, as compared to 14.2% in South Lakeland and 16.8% in England as a whole. In terms of tenure change over the period, the number of households in socially rented housing remained almost the same over the period, while other types of rent options experienced fluctuations.</p> <p>In terms of changes in house prices, our research found that prices in the LA9 postcode have increased slightly, increasing from 2012 to 2014 and then experiencing a sharp decline after 2014. Mean house prices increased by 48.3% over the period, and median prices increased by 34.4%. Lower quartile prices experienced only a marginal increase of 5.9% over the period. The price of an average (mean) property in the NA was £278,921 at the end of 2019. A lower quartile (entry level) property was priced at £153,000 at the end of 2019.</p> <p>The net annual household income before housing costs (equalised) across E02004017 in 2001 was £34,500, while the average total annual income was £51,267. South Lakeland's gross lower quartile (LQ) weekly earnings for 2017 was £244, or approximately £12,709 per year. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £25,418.</p> <p>The income required to buy an average market home for sale is higher than what would be available to those on median household incomes. The income required to buy an average entry-level home for sale is similarly unaffordable for those on lower quartile household incomes, even where two members may be earning. An entry-level house might, however, be accessible to those on median incomes.</p> <p>Turning to properties for purchase through affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market, households on median incomes can afford all of the products under consideration. For those on lower quartile household incomes, neither the range of discounted market home options nor the shared ownership products would be accessible, even when two members may be earning.</p>	<p>The quantity of affordable housing needed for sale and for rent in the NA were determined. The calculations for affordable housing for rent found that there is a -3.37 shortfall per annum, meaning there is sufficient affordable housing in the NA. However, this figure should be interpreted carefully—a shortfall does not necessarily mean there should be no new builds in the future, but that given the current rate of turnover, there is likely to be a sufficient supply for affordable housing each year, without new build projects. In 2011, 22% of the NA's population lived in socially rented housing while 12.7% lived in private rented housing and only 0.4% lived in shared accommodation.</p> <p>The potential demand for affordable home ownership products within Burnside was then estimated. We found there are will be approximately 68 households in Burnside unable to buy affordable rented homes suitable to their needs during the Plan period.</p> <p>An appropriate balance between the two main forms of Affordable Housing (rented options for those with the most urgent needs and routes to ownership for those who aspire to buy) would be a roughly 50/50 split.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>In terms of existing stock of housing, the data that there were 690 households in Burnside, living in 177 detached houses, 210 semi-detached, 233 terraced houses, and 145 flats. Compared with the South Lakeland, Burnside has a similar profile—the NA has a slightly lower number of whole houses or bungalows (80.9%) than South Lakeland (84%) and a slightly higher number of flats (18.9%) than its comparator (15.6%).</p> <p>When looking at homes delivered between 2001 and 2011, the main change from the 2001 Census findings is that Burnside experienced a significant decrease (43.3%) in the number of two-and three-room dwellings over the period and generally larger homes were built.</p> <p>It is worth noting that there is relatively higher share of three-bedroom dwellings in the NA (49.6%) as compared to South Lakeland (42.7%) and England (41.2%). The difference in the proportion of homes with four or five bedrooms is slight—there is roughly the same percentage of dwellings of this size in Burnside as there is in South Lakeland and England.</p> <p>In terms of demographics, Burnside has a higher number of people between the ages of 45-64 than both wider geographies and a lower percentage of people in the working age population (16-44). Burnside's population of those falling under the age of 85 is lower than South Lakeland and only marginally higher than the figure for England. However, since there is a large number of people in age group 45-64, the number of people likely to enter the retirement age over the Plan period (or have already done so since the last census) is likely to be larger than its comparator geographies</p> <p>As of December 2019, there were 24 households on the Housing Register for Burnside. The data indicates that majority of need by size for affordable housing is 54% for 1-bedroom homes, 42% 2-bedroom homes and 4% 3-bedroom homes. It is, however, important to note that this data is merely a snapshot in time as of April 2020, and the needs on the register will change over time.</p>	<p>This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.</p> <p>The result of the HNA modelling suggests that by 2040, the size distribution of dwellings should be more focused on the smaller end of the size spectrum than it is currently, with the proportions of homes with one to three bedrooms needing to increase based on expected demographic changes. The demand for dwellings with five or more bedrooms is likely to decrease.</p> <p>This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for smaller homes.</p>

7.2 Recommendations for next steps

143. This Neighbourhood Plan housing needs assessment aims to provide Burnside 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 South Lakeland with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with

the strategic policies of the adopted development plan;

- The views of South Lakeland District Authority – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Lakeland District Authority, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for South Lakeland and the neighbourhood plan areas within it.

144. 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.

145. 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, South Lakeland or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

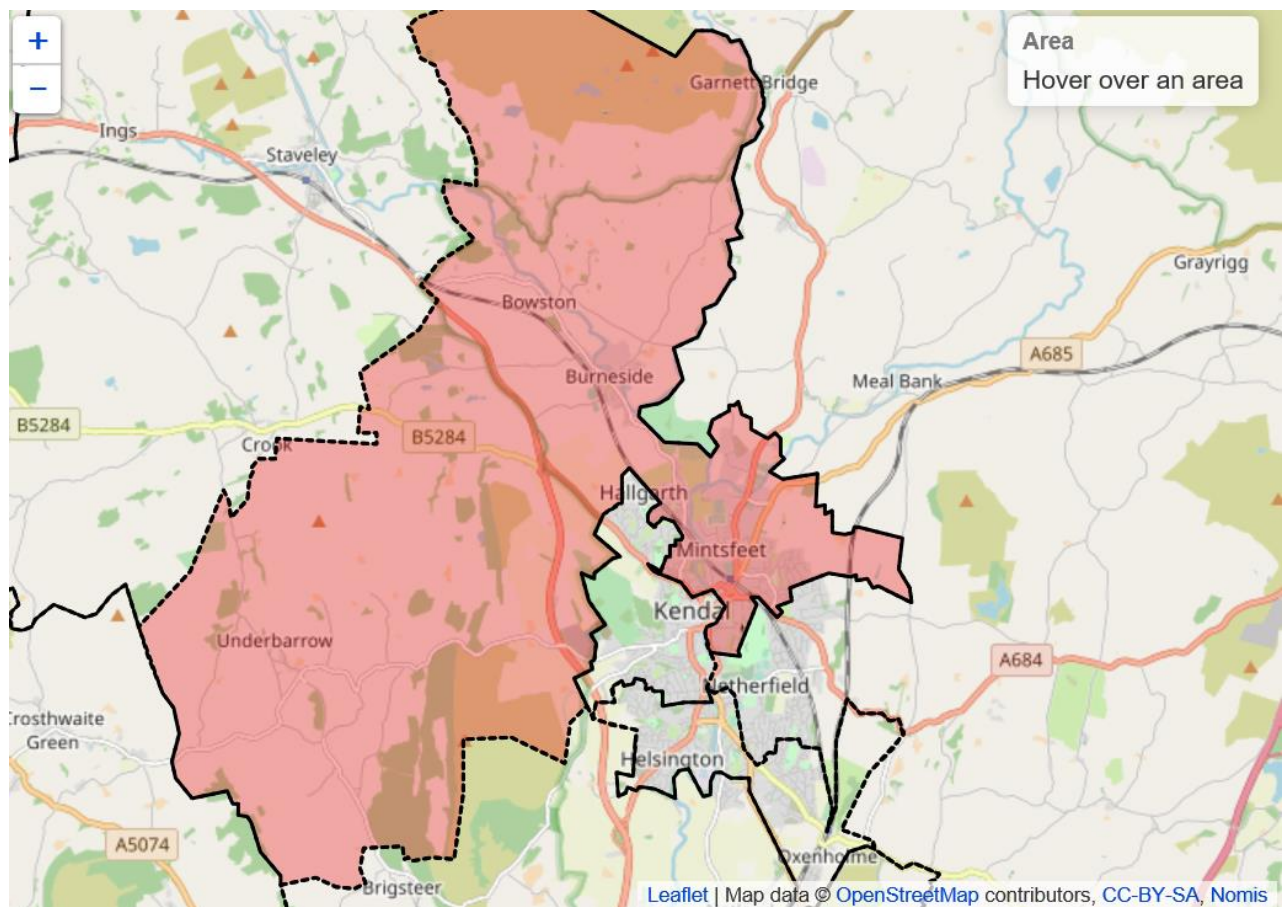
146. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

7.3 Assessment geography

147. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
148. 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 Burnside, it is considered that MSOA E02004017 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 E02004017 appears below in Figure 7-1. This is the MSOA that overlaps to the greatest extent with the Neighbourhood Plan area, it is the MSOA that contains most of the Neighbourhood Plan area population, etc.

Figure 7-1: MSOA E02004017 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

7.4 Market housing

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

resources for infrastructure improvements.

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

i) Market sales

153. 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.

154. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Burnside. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

155. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.²² The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.

156. The calculation is therefore:

- Value of an 'entry level dwelling' = £153,000;
- Purchase deposit = £153,00 @10% of value;
- Value of dwelling for mortgage purposes = £137,700;
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £39,343.**

ii) Private Rented Sector (PRS)

157. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.

158. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,²³ such a home would require three habitable rooms (a flat or house with two bedrooms).

159. 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 LA9 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.

160. According to [home.co.uk](https://www.home.co.uk), there are 12 two-bed properties currently listed for rent across the LA9 area, with an average price of £657 per calendar month.

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

- Annual rent = £600 x 12 = £7200;
- Multiplied by 4 (so that no more than 25% of income is spent on rent)
- **Income threshold (private rental sector) = £23,976.**

²² 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

²³ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

162. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

7.5 Affordable Housing

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

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

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

iii) Social rent

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

167. 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 Burnside. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Lakeland in the table below.

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

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£81.98	£91.31	£97.73	£105.14	£92.43
Annual average	£4,263	£4,748	£5,082	£5,467	£3,551
Income needed	£14,196	£15,811	£16,923	£18,206	£16,005

Source: Homes England, AECOM Calculations

iv) Affordable rent

169. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent in Burnside is £5,876 and the corresponding income threshold is an estimated **£19,567**. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

v) Intermediate tenures

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

Discounted Market Homes

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

172. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.
173. Applying a discount of 20% provides an approximate selling price of £188,000 (20% discount on median average prices of £235,000). Allowing for a 10% deposit further reduces the value of the property to £169,200. The income threshold at a loan to income ratio of 3.5 is **£48,343**.
174. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 20% they may not offer any discount on entry level prices.
175. The Government is consulting on proposals to introduce First Homes which would provide a minimum discount of 30% on new market homes for eligible households. This can be estimated to require an income of **£42,300**.

Shared ownership

176. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
177. 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.
178. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £235,000.²⁴ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
179. A 25% equity share of £235,000 is £58,750, from which a 10% deposit of £5,875 is deducted. The mortgage value of £52,875 is then divided by 3.5. To secure a mortgage of £53,875, an annual income of £15,107 (£53,875/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £176,250. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £4,406 and requires an income of £14,673 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around **£29,780** (£15,107 + £14,673) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of **£39,996** and **£50,212** respectively.

²⁴ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁵.

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.

²⁵ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²⁶

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁷

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)²⁸

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

²⁶ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

²⁷ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁸ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

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 years²⁹, 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

²⁹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

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 Housing³⁰

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

³⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.³¹

³¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

