

Great Bowden

Housing Needs Assessment (HNA)

August 2022

Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HDC	Harborough District Council
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Great Bowden is a Neighbourhood Area (NA) located in the local authority area of Harborough District Council. The NA boundary covers the areas administered by Great Bowden Parish Council and Harborough District Council (HDC).
2. The Office for National Statistics mid-2020 population estimate for Great Bowden is 1,371 individuals, showing an increase of 354 individuals since the 2011 Census.
3. There has been some development in Great Bowden since 2011, with HDC providing completions data from 2011 to 2021 which showed the development of 166 dwellings. The completions data provided by HDC does not break down these new homes by type, size or tenure.
4. The Neighbourhood Plan Steering Group were able to provide completions data by dwelling size. In the process, they have identified one or more additional sites which HDC did not. Consequently, the totals are slightly different. The Steering Group data is then taken forward into our type/size table to give the most up to date snapshot.
5. Our Executive Summary which follows details the conclusions of each chapter of the report, addressing the research questions formulated at the outset of the research.

Conclusions – Tenure, Affordability and the Need for Affordable Housing

6. 78.4% of properties in Great Bowden are owned, with 10.0% private rented, 8.2% social rented and 0.7% purchased through shared ownership.
7. Median house prices have grown by 45.9% between 2012 and 2021, with the highest increase of 73.4% being amongst semi-detached properties.
8. The average total household income locally was £52,700 in 2018. Harborough District Council's gross individual lower quartile annual earnings were £17,982 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,964. It is clear that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household has one earner only.
9. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income double the current average. Also, households made up of two lower quartile earners cannot afford the given rental thresholds.
10. First Homes with a discount of 50% or more would be required as the income needed for First Homes with a 30% or 40% discount falls above the average for the NA.

11. Shared ownership at lower equity shares appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. However, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
12. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless the 10% shared ownership option is chosen, at this point this is more affordable.
13. All of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford it.
14. Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single lower earner appear unable to afford any of the tenures considered. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Great Bowden as the only option for a large segment of those in the greatest need.
15. The HENA identifies the need for 439 additional affordable homes each year in Harborough. This need is largely for social/affordable rent. The HENA estimates annual affordable rented need of 254 dwellings and an affordable ownership need of 185 dwellings in Harborough.
16. When the HENA figures are pro-rated to Great Bowden (1.44% of the LPA's population), this equates to 6.4 homes per annum (3.7 for social/affordable rent and 2.7 for affordable ownership) or 51.2 homes (29.6 for social/affordable rent and 21.6 for affordable ownership) over the Neighbourhood Plan period (2023-2031).
17. An Affordable Housing mix of 25% affordable ownership (of which all will be First Homes) and 75% affordable housing for rent is proposed, which aligns with the default proposed in the Local Plan.

Conclusions – Type & Size

18. Both Great Bowden and Harborough have a larger proportion of bungalows and detached properties compared to England. Great Bowden also has a larger proportion of semi-detached dwellings compared to Harborough and England. On the other hand, Great Bowden and Harborough have a much lower proportion of flats (significantly lower in Great Bowden) and terraced properties.
19. Great Bowden has a higher proportion of three-bedroom properties in comparison to Harborough and England, and Great Bowden and Harborough have a higher proportion of 4 and 5+ bedroom properties compared to England. However, Great Bowden and Harborough have a smaller proportion of 1 and 2 bed properties compared to the national average.

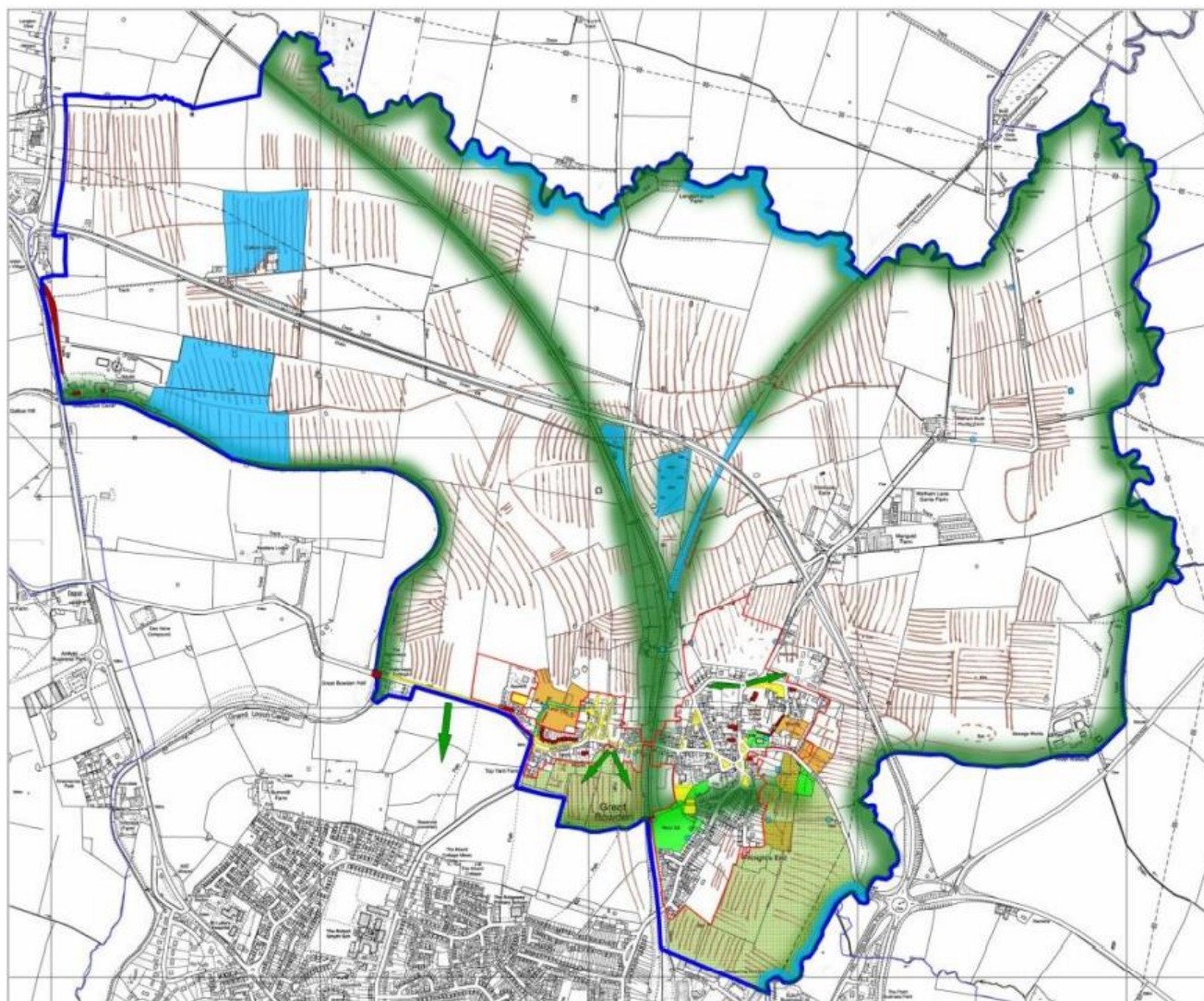
20. Figure 5-1 shows that at the time of the 2011 Census Great Bowden had a smaller proportion of 16-24 and 25-44 year olds and a larger proportion of those aged 45-64 and 65-84 compared to wider averages. Therefore, it can be said that Great Bowden has a relatively old population. However, estimated population change since 2011 indicates a significant increase in younger age groups as a result of recent development, which is counteracting the ageing of the population.
21. The composition of one person households is made up of a higher proportion of people aged 65 and over compared to Harborough and England. Great Bowden has a higher proportion of family households compared to England. There is a higher proportion of families aged 65 and over compared to Harborough and England. There is also a higher proportion of families with no children in comparison to England. GB has a lower proportion of households with non-dependent children compared to Harborough and England. These figures are taken from the 2011 Census and do not reflect the injection of younger families indicated in more recent population estimates.
22. 87% of households in Great Bowden have at least one extra bedroom in their homes, whilst 47% of households have at least two.
23. The youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.
24. Population growth can be expected to be driven by the oldest households, with a 71.0% change in those aged 65 and over throughout the plan period. However, the recent increase in younger age groups complicates this picture and suggests a more balanced mix appealing to all age groups would be more appropriate.
25. In order to meet the target mix by 2031, the biggest increase is needed in 4-bedroom properties, with 37.9% of new properties being required to have this many bedrooms. This is closely followed by a suggestion for 32.1% of new properties to have three bedrooms. This is followed by 17.9% of new properties having one bedroom and 8.3% of new properties having two bedrooms. A small proportion, 3.7%, should be 5 or more bedrooms. However, due to the increase in 4-bedroom dwellings as outlined in 2011-2021 completions, it could be recommended to place less emphasis on 4-bedroom properties than outlined in the target mix.
26. As mentioned previously, the model used is based on the older data available, and could be adjusted to reflect more recent factors by using newer data gained from a survey.

2. Context

Local context

27. Great Bowden is a Neighbourhood Area located in Harborough, Leicestershire. The Neighbourhood Area (NA) boundary follows the same boundary as the parish and was designated in December 2015.
28. The Neighbourhood Plan review period starts in 2023 and extends to 2031, therefore comprising a planning period of 8 years. The evidence supplied in this report will look forward to the Plan end date of 2031, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
29. The Great Bowden Neighbourhood Area is primarily rural in nature, with residential areas located to the south of the NA. Great Bowden is connected to Market Harborough to the south via the A4304 and Corby to the east via the A427. The A6 extends south east of the NA to connect Great Bowden to Kettering. The closest railway station to the NA is Market Harborough.
30. The data used for this Housing Needs Assessment has been sourced from the 2011 Census and the Office for National Statistics. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called 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:
 - 31UDGU0020
 - 31UDGU0021
 - 31UDGU0022
31. The statistics show that in the 2011 Census the NA had a total of 1,017 residents, formed into 449 households and occupying 467 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Great Bowden is 1,371 – indicating population growth of around 354 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
32. Completions data provided to AECOM by Harborough District Council (HDC) shows that since the 2011/12 monitoring year, there have been 166 completions in Great Bowden. Multiplying 166 completions by the average household size of Great Bowden of 2.27 people, an increase in population of 377 would be expected, broadly in line with the population increase of 354 estimated by ONS.
33. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Great Bowden Neighbourhood Area¹



Source: Harborough District Council website

The Housing Market Area Context

34. Whilst this HNA focuses on Great Bowden neighbourhood area it is important to keep in mind that neighbourhoods are not self contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Great Bowden, the parish sits within a housing market area which covers Leicester and Leicestershire.^[1] This means that when households who live in these authorities move home, the vast majority move within this geography.
35. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Great Bowden, are closely linked to other areas. In the case of Great Bowden, changes in need or demand in settlements nearby

¹ Available at [Final-HENA-Report-June-22.pdf \(llstrategicgrowthplan.org.uk\)](#)

is likely to impact on the neighbourhood. For example, Market Harborough might meet some, or all, of the needs and demands of the NA.

36. In summary, Great Bowden functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Harborough District Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

37. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.² In the case of Great Bowden, the relevant adopted Local Plan for Harborough District Council consists of:
38. The Harborough Local Plan 2011 – 2031 was adopted on Tuesday 30th April 2019. The Local Plan replaces the Council's Core Strategy 2006 – 2028 and Saved Policies from the previous 2001 Local Plan. The Local Plan sets out the vision, objectives, spatial strategy and planning policies for the entire District area, which includes Great Bowden.
39. In July 2021, the Council's Cabinet took the decision to begin the preparation of a new Local Plan. The new Local Plan is expected to go out to consultation in September/October 2023 and again in December 2024/January 2025, before being submitted for examination in June 2025 and adopted in April 2026. However, this is not likely to impact the neighbourhood plan review.

Policies in the adopted local plan

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

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

Policy	Provisions
H1 Provision of new housing	In addition to the delivery of existing commitments and completions and the allowance for windfalls, land for a minimum of 3,975 new homes will be provided during the plan period to 2031.

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

Policy	Provisions
H2 Affordable housing	<p>40% affordable housing will be required on housing sites of more than 10 dwellings or with a combined gross floorspace of more than 1,000 square metres. The tenure split for the affordable housing should be 75% affordable or socially rented and 25% low-cost home ownership products, or a variation of this mix which is shown to be justified by reference to the latest assessment of affordable housing need.</p> <p>When developments of 10 dwellings or less are proposed within 5 years of each other on sites which have a spatial relationship, or on adjacent sites under the same ownership, affordable housing will be required where there is a cumulative total of more than 10 dwellings or a combined gross floorspace of more than 1,000 square metres.</p>
H3 Rural exception sites	<p>Development proposals for affordable housing on small sites in rural areas that would not normally be permitted for housing, will be approved as rural exception sites where the development would meet evidenced affordable housing need, the housing remains affordable in perpetuity, the site is proportionate in scale to and in safe and reasonable walking distance of a rural settlement and the development respects the character, form and appearance of the immediate vicinity and surrounding area.</p> <p>Small numbers of market homes may be permitted on rural exception sites where they are essential to enable the delivery of affordable units, meet an identified and proven element of local need, such as starter homes or units to enable downsizing, and constitute no more than 20% of the number of dwellings proposed, the exact percentage being determined by the viability of each scheme.</p>
H4 Specialist housing	<p>The provision of well-designed specialist forms of accommodation in appropriate locations will be supported, taking into account housing needs.</p>

Policy	Provisions
H5 Housing density, mix and standards	<p>New housing development will be permitted where it makes efficient use of land and whilst respecting the character of the surrounding area, maximises the density on sites from where a full range of services and facilities is accessible by walking, cycling and public transport, and is designed to meet higher water efficiency standards of 100 litres per person per day.</p> <p>Major housing development should provide a mix of house types that is informed by up to date evidence of housing need.</p> <p>Housing developments of 100 dwellings or more should meet the accessible and adaptable standards set out in Building Regulations.</p> <p>Proposals for self-build and custom build housing will be supported in any location suitable for housing, including allocated sites, committed sites, windfall sites and sites which are in accordance with Policy GD2: Settlement Development.</p>

Source: Harborough District Council website

Policies in the adopted neighbourhood plan

41. Table 2-2 below summarises adopted Neighbourhood Plan policies that are relevant to housing need and delivery in Great Bowden.

Table 2-2: Summary of relevant adopted policies in the Great Bowden adopted Neighbourhood Plan

Policy	Provisions
Policy H4 Housing Mix	Any new housing development proposals should provide a mixture of housing types specifically to meet identified local needs in Great Bowden. Support will be given to dwellings of 1, 2 and 3 bedrooms and to homes suitable for older people and those with restricted mobility. The provision of self-build units is supported. 4+ bedroom dwellings may be included in the mix of dwellings, but will be expected to comprise a clear minority.
Policy H5 Affordable Housing	Development proposals for new housing should make provision for affordable housing in accordance with the emerging (or subsequently adopted) Local Plan policies. Development proposals that make affordable housing available for local people through shared ownership and starter homes will be supported.

Source: Harborough District Council website

Quantity of housing to provide

42. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
43. Harborough District Council has fulfilled that requirement by providing Great Bowden with a figure of 0 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.³ This is a minimum figure so it does not limit development or the potential for sites to be identified in the Neighbourhood Plan.

³ As confirmed in a phone conversation with the NA, July 2022.

3. Approach

Research Questions

44. The following research questions were formulated at the outset of the research through discussion with the Great Bowden Parish Council Neighbourhood Plan Monitoring and Review Committee (the Committee). They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

45. The Committee 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.
46. This evidence will allow Great Bowden 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 Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Type and Size

47. The Committee is seeking to determine what size and type of housing would be best suited to the local community. They have outlined that developers tend to build 4 bedroom dwellings in the area which would provide affordability issues and not satisfy local housing needs.
48. 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.
49. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
50. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Relevant Data

51. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Home.co.uk;
 - Local Authority housing waiting list data; and
 - Leicester & Leicestershire Housing & Economic Needs Assessment 2022 (HENA).
52. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

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

Introduction

53. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
54. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
55. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as *'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'*⁴. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing. First Homes are not referenced in the 2021 NPPF as this is a new affordable housing scheme currently being rolled out by the Government.

⁴ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

Current tenure profile

56. The current tenure profile is a key feature of the NA. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and

wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

57. Table 4-2 presents data on tenure in Great Bowden compared with Harborough District Council and England from the 2011 Census, which is the most recent available source of this information.
58. Whilst Great Bowden follows a similar trend to the rest of Harborough, both areas differ from the national average. Great Bowden and Harborough have a higher proportion of owned properties compared to England, with a similar level of shared ownership properties and a smaller proportion of social rented and private rented dwellings.
59. Completions data from Harborough District Council about the homes built since 2011 does not provide the mix of market and affordable housing.
60. There is also no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Great Bowden the private rented sector expanded by 50% in that period, a rate of growth that is smaller than 157.3% in Harborough and 82.4% in England.

Table 4-2: Tenure (households) in Great Bowden, 2011

Tenure	Great Bowden	Harborough	England
Owned	78.4%	78.1%	63.3%
Shared ownership	0.7%	1.2%	0.8%
Social rented	8.2%	8.4%	17.7%
Private rented	10.0%	11.2%	16.8%

Sources: Census 2011, AECOM Calculations

Affordability

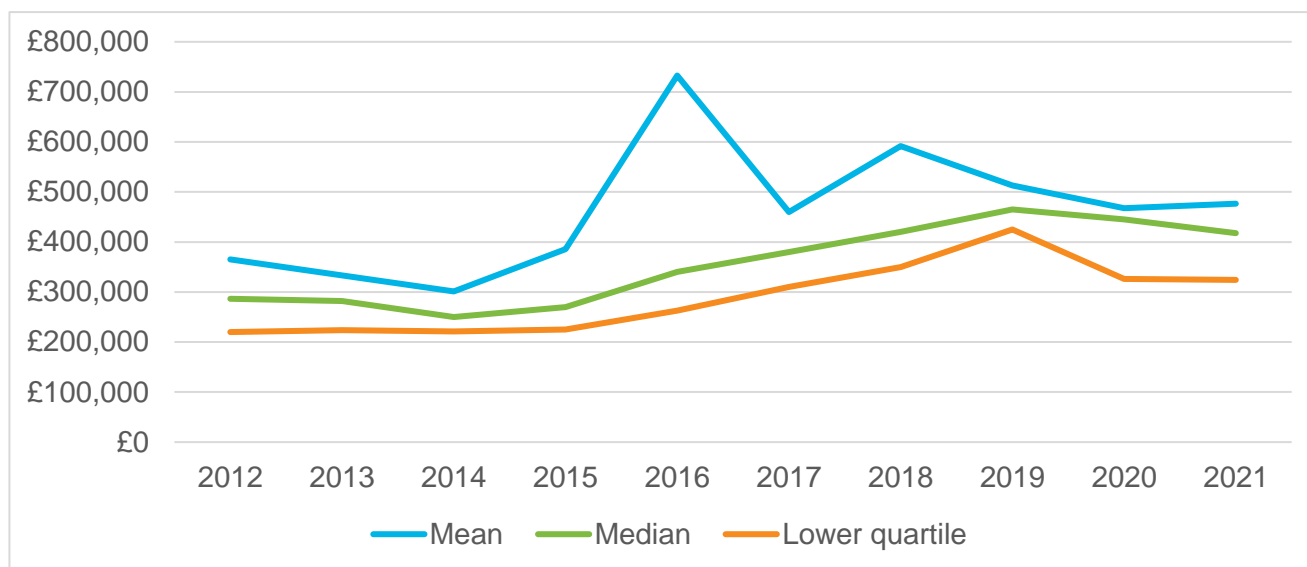
House prices

61. 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.
62. Figure 4-1 looks at the average and lower quartile house prices in Great Bowden based on sales price data published by the Land Registry.
63. The median, which is the middle number when you sort the data from smallest to largest has steadily increased from 2012, peaking in 2019 and has slightly decreased since.
64. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher

than the median. This can be seen in 2016 and 2018 when the mean is significantly higher than the median. However, overall, the mean follows the same trend of increasing between 2012 and 2021.

65. The current median price in Great Bowden is £417,500 and the lower quartile price is £324,250. This is an increase of 45.9% and 47.4% over the past decade respectively.

Figure 4-1: House prices by quartile in Great Bowden, 2012-2021



Source: Land Registry PPD

66. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the biggest rate of growth has been seen in semi-detached properties, followed by detached and terraced dwellings. Flats have seen the smallest level of growth at only 15%.

Table 4-3: Median house prices by type in Great Bowden, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£395,000	£337,500	£310,000	£515,500	£633,500	£430,000	£615,000	£477,475	£484,950	£598,500	51.5%
Semi-detached	£220,000	£274,000	£250,000	£260,000	£285,000	£333,250	£379,950	£299,950	£286,500	£381,500	73.4%
Terraced	£209,975	£197,500	£225,000	£235,000	£258,500	£325,000	£285,500	£217,500	£215,000	£310,975	48.1%
Flats	-	£240,000	£335,500	£202,000	£337,500	£223,000	£290,000	-	£217,764	£276,000	15.0%
All Types	£286,250	£281,750	£250,000	£269,950	£340,000	£380,000	£420,000	£465,000	£444,950	£417,500	45.9%

Source: Land Registry PPD

Income

67. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
68. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower

earners). The average total household income locally was £52,700 in 2018. A map of the area to which this data applies is provided in Appendix A.

69. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Harborough District Council's gross individual lower quartile annual earnings were £17,982 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,964.
70. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

71. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
72. AECOM has determined thresholds for the income required in Great Bowden to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
73. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
74. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
75. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter

the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.

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

77. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £52,700	Affordable on LQ earnings (single earner)? £17,982	Affordable on LQ earnings (2 earners)? £35,964
Market Housing						
Median House Price	£375,750	-	£107,357	No	No	No
Estimated NA New Build Entry-Level House Price	£332,276	-	£94,936	No	No	No
LQ/Entry-level House Price	£291,825	-	£83,379	No	No	No
LA New Build Median House Price	£310,500	-	£88,714	No	No	No
Average Market Rent	-	£12,720	£42,400	Yes	No	No
Entry-level Market Rent	-	£11,652	£38,840	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£232,593	-	£66,455	No	No	No
First Homes (-40%)	£199,366	-	£56,962	No	No	No
First Homes (-50%)	£166,138	-	£47,468	Yes	No	No
Shared Ownership (50%)	£166,138	£4,615	£62,851	No	No	No
Shared Ownership (25%)	£83,069	£6,922	£46,809	Yes	No	No
Shared Ownership (10%)	£33,228	£8,307	£37,183	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,678	£18,907	Yes	No	Yes
Social Rent	-	£4,770	£15,886	Yes	Yes	Yes

Source: AECOM Calculations

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

and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

79. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income double the current average.
80. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

81. There is a relatively large group of households in Great Bowden who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £38,840 per year (at which point entry-level rents become affordable) and £83,379 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
82. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
83. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. First Homes with a discount of 50% would be required as the income needed for First Homes with a 30% or 40% discount falls above the average for the NA.
84. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.
85. As the discount required for the estimated price of new build entry-level houses in the neighbourhood area is 44%, it is recommended that a discount of 50% be applied to first homes in the NA.

Table 4-5: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single earner	LQ	Dual earning household	LQ
NA Median House Price	51%	83%		67%	
NA Estimated New Build Entry-Level House Price	44%	81%		62%	
NA Entry-Level House Price	37%	78%		57%	
LA Median New Build House Price	41%	80%		59%	

Source: Land Registry PPD; ONS MSOA total household income

86. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁵ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
87. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
88. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless the 10% shared ownership option is chosen, at this point this is more affordable.
89. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupants to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings

⁵ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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

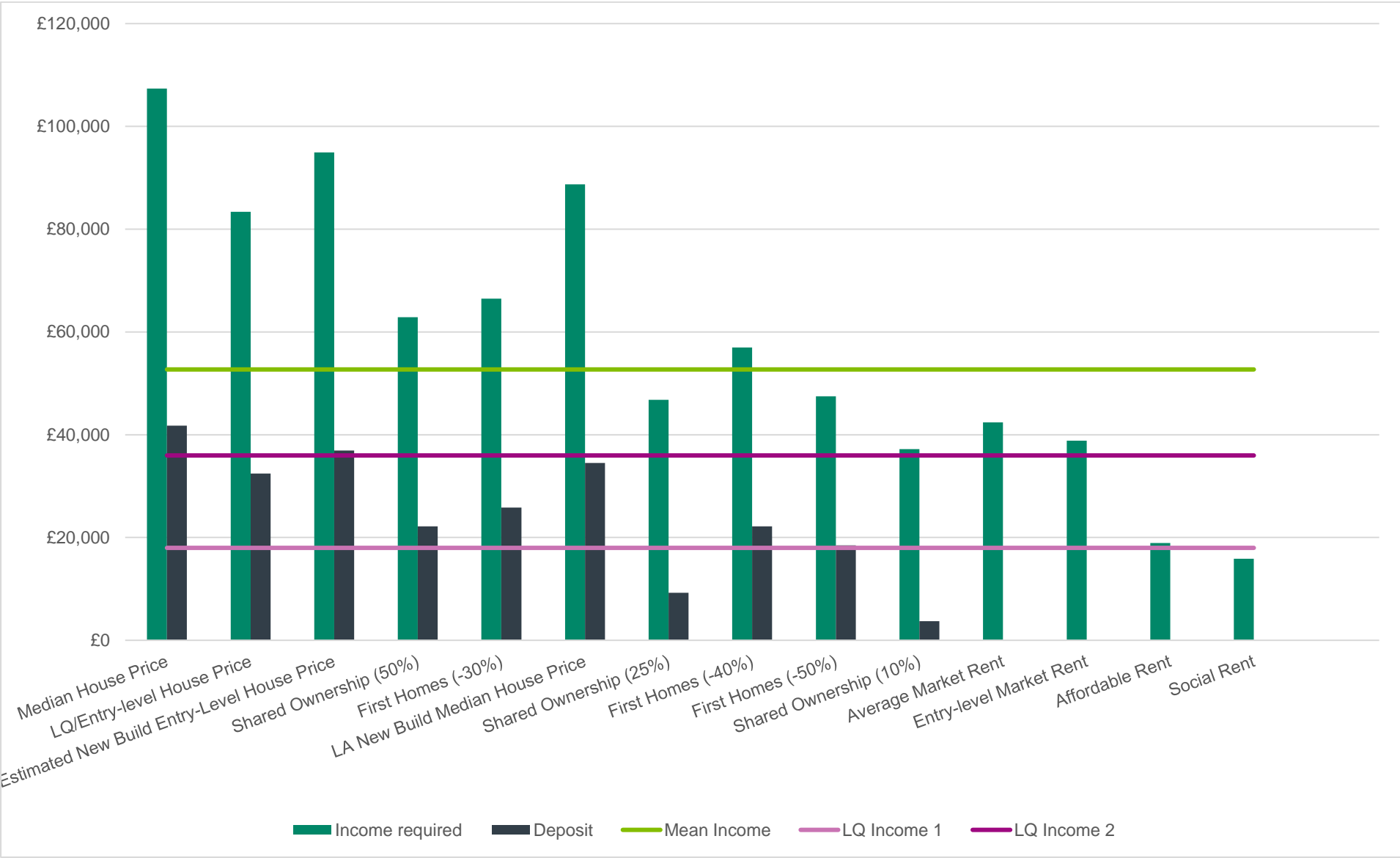
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

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

Affordable rented housing

91. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
92. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Great Bowden as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2: Affordability thresholds in Great Bowden, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

93. The starting point for understanding the need for affordable housing in Great Bowden is the relevant Housing and Economic Need Assessment (HENA). A HENA was undertaken for Leicester and Leicestershire in 2022. 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. The HENA identifies the need for 439 additional affordable homes each year in Harborough as a whole. Within this total, the HENA estimates annual affordable rented need of 254 dwellings and an affordable ownership need of 185 dwellings in Harborough.
94. When the HENA figures are pro-rated to Great Bowden based on its fair share of the population (1.44% of the LPA's population), this equates to 6.4 homes per annum (3.7 for social/affordable rent and 2.7 for affordable ownership) or 51.2 homes (29.6 for social/affordable rent and 21.6 for affordable ownership) over the Neighbourhood Plan period (2023-2031).
95. Pro-rating District level estimates of affordable housing need to rural areas can present problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Great Bowden the lack of social housing means there is limited need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means that the figures above should be interpreted flexibly, although they remain the most accurate available indication given the recent publication of the HENA.
96. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Committee that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
97. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

98. Harborough District Council's adopted policy on this subject (Policy H2) requires 40% of all new housing to be affordable.
99. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing

that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.

100. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the Local Plan as 75% affordable or socially rented and 25% low-cost home ownership products, or a variation of this mix which is shown to be justified by reference to the latest assessment of affordable housing need. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Great Bowden specifically.
101. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** Based on the recent HENA, this study estimates that Great Bowden requires roughly 30 units of affordable rented housing and 22 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 58% of Affordable Housing should be rented and 42% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 58% to 42% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

Harborough District Council have given Great Bowden a housing target of 0. Therefore, it cannot be said how many affordable homes might be expected in the NA should the Local Plan target of 40% be achieved on every site. However, it can be assumed that the delivery will be extremely limited. If the majority of Great Bowden's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This is not likely to be sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given the expected volume of future delivery it is reasonable to assume that supply will be limited and affordable rented accommodation should be prioritised. The 75% rented 25% ownership guideline mix in the Local Plan may offer an appropriate benchmark.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Harborough, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Great Bowden would prejudice the provision of much needed affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 75% affordable rented accommodation and 25% affordable ownership accommodation.

- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. In Harborough, this may be the case as 25% of Affordable Housing being First Homes would leave no room for other forms of affordable home ownership, should 75% affordable rented accommodation be required.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in HDC, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable

home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
 - G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
 - H. **Existing tenure mix in Great Bowden:** Evidence suggests there is limited Affordable Housing (either to rent or for sale) within the NA at present. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area. Please note that no affordable housing data has been provided by Harborough District Council and this may have changed slightly given recent completions in the neighbourhood area.
 - I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
 - J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Great Bowden and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
102. On the basis of the considerations above, Table 4-6 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
103. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be significantly lower than the needs identified here as a result of no housing need being identified for Great Bowden by Harborough

District Council. In this context, affordable rented tenures should be prioritised. The Local Plan guideline mix of 75% rented to 25% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.

104. Since First Homes appears to have a similar level of affordability to shared ownership locally, assuming it can be offered at the appropriate discount level, national policy that First Homes should represent 25% of the affordable mix is suitable here.
105. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
106. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
107. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Harborough District Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
108. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-6: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	25%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown.

		Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	75%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

109. The key points raised in this chapter are:

- 78.4% of properties in Great Bowden are owned, with 10.0% private rented, 8.2% social rented and 0.7% purchased through shared ownership.
- Median house prices have grown by 45.9% between 2012 and 2021, with the highest increase of 73.4% being amongst semi-detached properties.
- The average total household income locally was £52,700 in 2018. Harborough District Council's gross individual lower quartile annual earnings were £17,982 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,964. It is clear that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household has one earner only.
- Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income double the current average. Also, households made up of two lower quartile earners cannot afford the given rental thresholds.
- First Homes with a discount of 50% would be required as the income needed for First Homes with a 30% or 40% discount falls above the average for the NA.
- Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. However, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless the 10% shared ownership option is chosen, at this point this is more affordable.

- All of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford it.
- Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single lower earner appear unable to afford any of the tenures considered. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Great Bowden as the only option for a large segment of those in the greatest need.
- The HENA identifies the need for 439 additional affordable homes each year in Harborough. This need is largely for social/affordable rent. The HENA estimates annual affordable rented need of 254 dwellings and an affordable ownership need of 185 dwellings in Harborough.
- When the HENA figures are pro-rated to Great Bowden (1.44% of the LPA's population), this equates to 6.4 homes per annum (3.7 for social/affordable rent and 2.7 for affordable ownership) or 51.2 homes (29.6 for social/affordable rent and 21.6 for affordable ownership) over the Neighbourhood Plan period (2023-2031).
- An Affordable Housing mix of 25% affordable ownership (of which all will be First Homes) and 75% affordable housing for rent is proposed, which aligns with the default proposed in the Local Plan.

5. RQ 2: Type and Size

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

Introduction

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

Existing types and sizes

Background and definitions

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

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

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

Dwelling type

117. Harborough District Council (HDC) was approached by AECOM for data about the new homes completed in Great Bowden since the 2011 Census. Whilst the overall figure per annum was provided, this could not be broken down in to dwelling type or size. Therefore, Valuation Office Agency (VOA) data has been used for this. However, it must be noted that the smallest geography available for VOA data covers a slightly larger area than the Parish and therefore will provide slightly inflated results. The broad proportions are however likely to be representative.
118. Census 2011 data is also presented, but this unfortunately cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties), and because the Census data relates to a slightly larger proxy area. Note also that VOA data is rounded to the nearest 10 in each dwelling category.

Table 5-1: Accommodation type, Great Bowden, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	11.7%
Flat	3.4%	2.1%
Terrace	18.8%	13.8%
Semi-detached	32.8%	34.0%
Detached	45%	36.2%
Unknown/other	-	2.1%
Total	100%	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

119. Both Great Bowden and Harborough have a larger proportion of bungalows and detached properties compared to England. Great Bowden also has a larger proportion of semi-detached dwellings compared to Harborough and England. On the other hand, Great Bowden and Harborough have a much lower proportion of flats (significantly lower in Great Bowden) and terraced properties.

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

Dwelling type	Great Bowden	Harborough District Council	England
Bungalow	11.7%	12.5%	9.2%
Flat	2.1%	7.7%	23.7%
Terrace	13.8%	16.4%	26.1%
Semi-detached	34.0%	22.6%	23.7%
Detached	36.2%	39.0%	15.8%
Unknown/other	2.1%	1.9%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

120. Table 5-3 shows the dwelling stock by size (number of bedrooms) in 2011 using Census data, alongside the mix of new completions (2011-2021) and VOA data for 2021. It can be seen that in 2011 the majority of properties in the plan area had 3 bedrooms, followed by 2 bedrooms. Albeit fewer, there is also a large proportion of 4-bedroom properties. 1-bedroom properties form the smallest proportion of dwelling sizes in the plan area. After adding the completions data to the 2011 census, whilst these numbers have grown, the dwelling size breakdown still follows the same trend.

121. While the VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms) that the other method overlooks (because the 2011 Census mix is effectively frozen at that point in time), it is in other respects less accurate. The VOA data is rounded to the nearest ten for each dwelling category, records a number of properties with an unknown number of rooms, and the newest data available is for 2021 – which misses any homes completed in recent months.

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

Number of bedrooms	2011 (Census)	Completion s (provided by Steering Group)	Census + Completion s	2021 (VOA)
Studio	X	X	X	X
1	14	13	27	30
2	129	54	183	190
3	176	62	238	460
4	90	75	165	200
5+	40	1	41	40
Unknown	X	X	X	X
Total	449	205	654	920

Source: ONS 2011, VOA 2021, AECOM Calculations

122. It is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Great Bowden has a higher proportion of three-bedroom properties in comparison to Harborough and England, and

Great Bowden and Harborough have a higher proportion of 4 and 5+ bedroom properties compared to England. However, Great Bowden and Harborough have a smaller proportion of 1 and 2 bed properties compared to the national average.

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

Number of bedrooms	Great Bowden	Harborough	England
1	3.3%	5.8%	12.6%
2	20.7%	22.8%	28.4%
3	50.0%	40.5%	43.0%
4	21.7%	24.2%	12.1%
5+	4.39%	6.3%	3.3%

Source: VOA 2021, AECOM Calculations

Age and household composition

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

Age structure

124. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It can be seen that the largest proportion of the population falls within the 45-64 age group. The smallest age group is 85 and over, followed by 16-24. Whilst individual proportions have changed slightly, this trend remains the same from the 2011 Census data. Latest estimates suggest that the population has become slightly younger through the addition of new homes since 2011, with a large increase in the number of children and all age groups increasing, with the exception of 85+.
125. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
126. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

Table 5-5: Age structure of Great Bowden population, 2011 and 2020

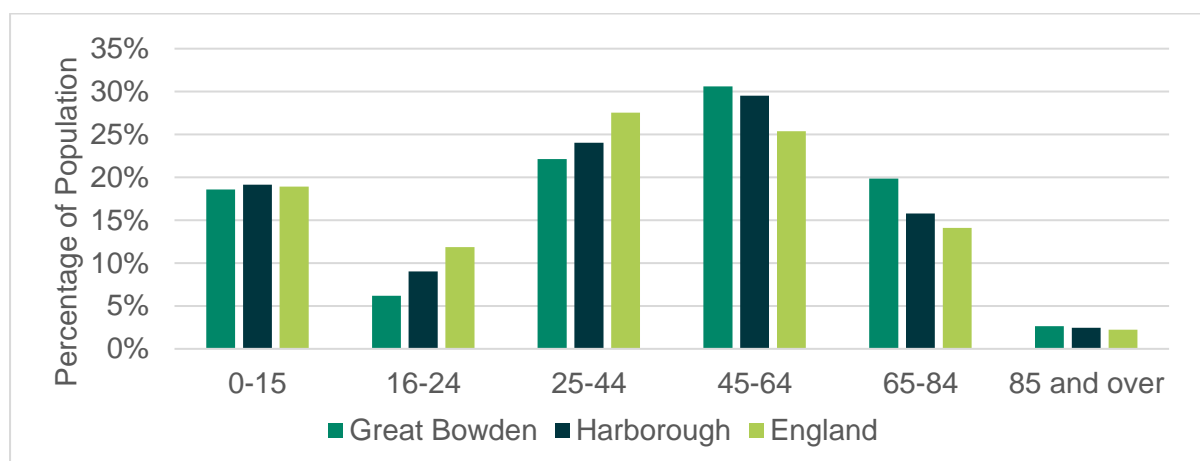
Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	189	19.0%	285	20.8%
16-24	63	6.0%	82	6.0%

25-44	225	22.0%	306	22.3%
45-64	311	31.0%	389	28.4%
65-84	202	20.0%	283	20.6%
85 and over	27	3.0%	26	1.9%
Total	1,017	100.0%	1,371	100.0%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

127. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Great Bowden had a smaller proportion of 16-24 and 25-44 year olds compared to the national average. This is potentially due to young people moving away from the area for work, or due to housing affordability issues. On the other hand, Great Bowden had a larger proportion of those aged 45-64 and 65-84. Therefore, it can be said that Great Bowden had a relatively older population than wider averages at the time of the Census, although the data above suggests this may be changing as a result of recent development.

Figure 5-1: Age structure in Great Bowden, 2011



Source: ONS 2011, AECOM Calculations

Household composition

128. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Great Bowden has a similar proportion of one person households compared to the national average. However, the composition of one person households is made up of a higher proportion of people aged 65 and over compared to Harborough and England, as a result of the older population mentioned previously.

129. Great Bowden has a higher proportion of family households compared to England, albeit lower than the average for Harborough. Again, there is a higher proportion of families aged 65 and over compared to Harborough and England. There is also a higher proportion of families with no children in comparison to England. Great Bowden has a lower proportion of households with non-dependent children compared to Harborough and England, as well as a smaller proportion of 'other household types'.

130. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that in fact this category decreased by 29.3% between 2001 and 2011 in the parish – compared to a growth of 11.9% in the district average.

Table 5-6: Household composition, Great Bowden, 2011

Household composition		Great Bowden	Harborough	England
One person household	Total	29.0%	25.8%	30.2%
	Aged 65 and over	15.1%	12.5%	12.4%
	Other	13.8%	13.3%	17.9%
One family only	Total	67.3%	70%	61.8%
	All aged 65 and over	13.4%	10.8%	8.1%
	With no children	20.7%	21.4%	17.6%
	With dependent children	26.7%	28.4%	26.5%
	With non-dependent children ⁶	6.5%	9.3%	9.6%
Other household types	Total	3.8%	4.3%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

131. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
132. Table 5-7 shows that 87.0% of households in Great Bowden have at least one extra bedroom in their homes, whilst 47.0% of households have at least two. The largest group of people occupying properties with at least one extra bedroom is single people under 65, followed by single person 65+, family under 65 with dependent children and family under 65 with adult children. The largest group of people occupying properties with at least two extra bedrooms are families 65+, followed by family under 65 with no children. It should be noted that 80% of families 65+ under occupy their properties by at least two

⁶ Refers to households containing children who are older than 18 e.g students or young working people living at home

bedrooms, suggesting that there are no suitable smaller properties in the plan area for them to downsize to.

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

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	80.0%	18.3%	1.7%	0.0%
Single person 65+	47.1%	45.6%	7.4%	0.0%
Family under 65 - no children	71.0%	28.0%	1.1%	0.0%
Family under 65 - dependent children	26.7%	45.0%	26.7%	1.7%
Family under 65 - adult children	27.6%	44.8%	27.6%	0.0%
Single person under 65	35.5%	53.2%	11.3%	0.0%
All households	47.0%	40.0%	12.0%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

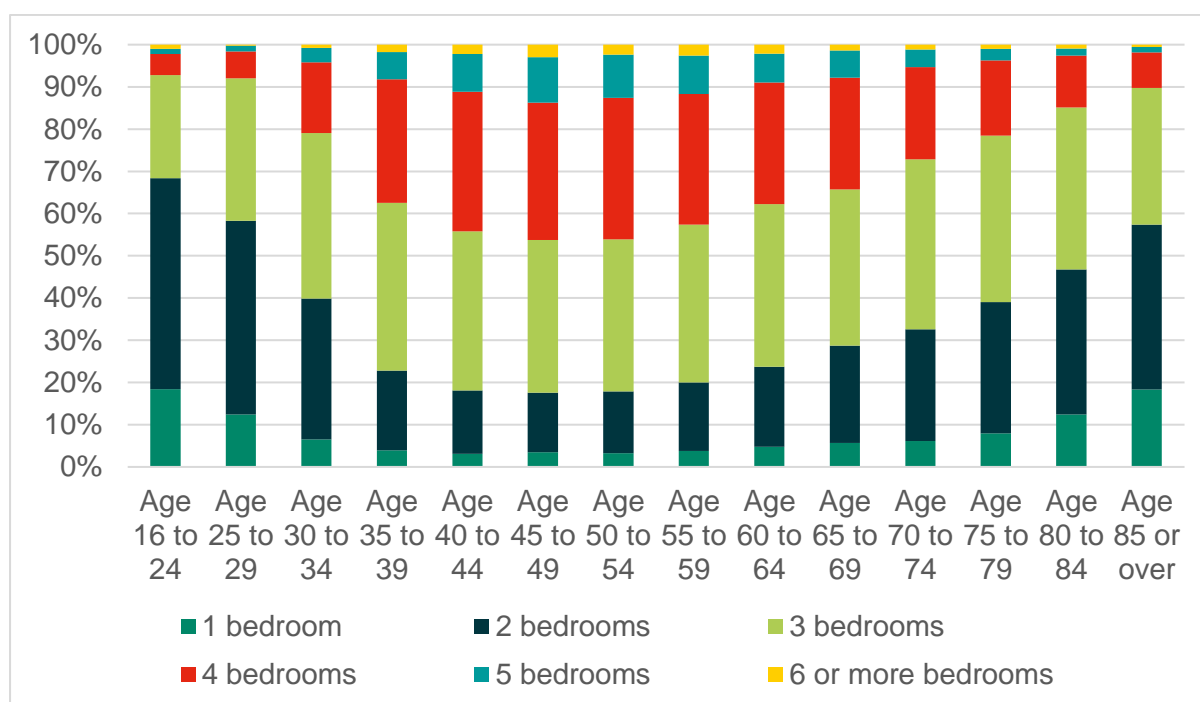
Suggested future dwelling size mix

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

- The starting point is the age distribution of Great Bowden households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.

- This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
134. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
135. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
136. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
137. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Harborough District Council in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

138. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Great Bowden households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with a 94.0% change in those aged 65 and over throughout the plan period. This is then followed by a 21.2% change in those aged 55 to 64. The 35 to 54 age group has the smallest change of 8.2%.

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

Year	Age of HRP and under 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
2011	1	34	166	91	157
2031	1	41	180	110	305
% change 2011-2031	16.0%	19.0%	8.0%	21.0%	94.0%

Source: AECOM Calculations

139. The final result of this exercise is presented in Table 5-9. The model suggests that in order to meet the target mix by 2031, the biggest increase is needed in 4-bedroom properties, with 37.9% of new properties being required to have this many bedrooms. This is closely followed by a suggestion for 32.1% of new properties to have three bedrooms. However, the Neighbourhood Plan Group have notified AECOM of an increase in 4-bedroom properties being built by developers in recent years which are too big for local residents. Due to the breakdown of dwelling size not being present in the HDC completions data, this increase may not be evident in the data presented. Therefore, it could be

recommended that a greater emphasis could be placed on smaller properties, such as three-bedroom dwellings.

140. This is followed by 17.9% of new properties having one bedroom and 8.3% of new properties having two bedrooms. A small proportion, 3.7%, should be 5 or more bedrooms. As outlined previously, Great Bowden has a significantly lower proportion of flats amongst its housing stock compared to the national average, this may be due to the character and density expectations of the neighbourhood area. Therefore, the recommendation for 1-bedroom dwellings might be better distributed among new 2-bedroom homes. Further, it is recommended that 1-bedroom flats could be delivered as maisonettes, which have the appearance of terraced housing should apartment blocks not be seen as appropriate for the area.
141. Whilst the table below outlines that 3 and 4-bedroom properties should be prioritised for construction, it must be remembered, as outlined in table 5-3, that there has been a substantial number of dwellings of this size completed in the plan area since 2011, particularly 4-bedroom properties. Further, the recommended target mix and needed balance for dwelling size is informed by contrasts in the current mix between the neighbourhood area and the Local Authority area. As a result, the model encourages the construction of 4-bedroom properties as this proportion is currently lower than district level. However, Harborough has a significantly larger proportion of 4-bedroom properties than the national average, which skews the results when applied to Great Bowden. Therefore, it could be recommended that the Steering Group focus more on the construction of 1,2 and 3-bedroom dwellings and lessen the share of larger properties in the policy mix.

Table 5-9: Suggested dwelling size mix to 2031, Great Bowden

Number bedrooms	of Current (2011)	mix Target mix (2031)	Balance of new housing to reach target mix
1 bedroom	3.1%	6.6%	17.9%
2 bedrooms	28.7%	23.9%	8.3%
3 bedrooms	39.2%	37.5%	32.1%
4 bedrooms	20.0%	24.3%	37.9%
5 or more bedrooms	8.9%	7.7%	3.7%

Source: AECOM Calculations

142. It is never advisable to restrict future housing delivery to selected size categories too severely. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
143. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is

limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.

144. The preceding chapter found that affordability is a challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
145. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
146. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.
147. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation. The model used for this is based on the age distribution of households in 2011, which appears to have slightly changed towards a younger population, and on the stock of housing in 2011, because Harborough District Council have not been able to provide a more recent breakdown of housing stock by size. We can't be specific about what the changed picture means for housing need, especially as some of the data is unknown, but there is greater scope here for the size mix sought in the neighbourhood plan to be adjusted to reflect the new mix of people and homes, for instance by using more recent data like a survey.

The HENA findings

148. Great Bowden forms part of the housing market area covered by the Leicester

& Leicestershire Housing & Economic Needs Assessment published in June 2022. Whilst the HENA does not provide a breakdown for Great Bowden, it does provide a required mix for Harborough.

149. Table 5-10 shows the dwelling size needed in Harborough per tenure type. Whilst the exact proportional changes required to meet the target mix outlined above differ slightly to AECOM's calculations outlined in Table 5-10, both sets follow a similar pattern showing need for mid-sized properties.

Table 5-10: Required Dwelling Mix for Harborough

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	6%	33%	42%	19%
Affordable home ownership	18%	42%	31%	9%
Affordable housing (rented)	38%	35%	24%	3%

Source: Harborough District Council website

Conclusions- Type and Size

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

151. The key points raised in this chapter are:

- Both Great Bowden and Harborough have a larger proportion of bungalows and detached properties compared to England. Great Bowden also has a larger proportion of semi-detached dwellings compared to Harborough and England. On the other hand, Great Bowden and Harborough have a much lower proportion of flats (significantly lower in Great Bowden) and terraced properties.
- Great Bowden has a higher proportion of three-bedroom properties in comparison to Harborough and England, and Great Bowden and Harborough have a higher proportion of 4 and 5+ bedroom properties compared to England. However, Great Bowden and Harborough have a smaller proportion of 1 and 2 bed properties compared to the national average.
- Figure 5-1 shows that at the time of the 2011 Census Great Bowden had a smaller proportion of 16-24 and 25-44 year olds and a larger proportion of those aged 45-64 and 65-84 compared to wider averages. Therefore, it

can be said that Great Bowden has a relatively old population. However, estimated population change since 2011 indicates a significant increase in younger age groups as a result of recent development, which is counteracting the ageing of the population.

- The composition of one person households is made up of a higher proportion of people aged 65 and over compared to Harborough and England. Great Bowden has a higher proportion of family households compared to England. There is a higher proportion of families aged 65 and over compared to Harborough and England. There is also a higher proportion of families with no children in comparison to England. GB has a lower proportion of households with non-dependent children compared to Harborough and England. These figures are taken from the 2011 Census and do not reflect the injection of younger families indicated in more recent population estimates.
- 87% of households in Great Bowden have at least one extra bedroom in their homes, whilst 47% of households have at least two.
- The youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.
- Population growth can be expected to be driven by the oldest households, with a 71.0% change in those aged 65 and over throughout the plan period. However, the recent increase in younger age groups complicates this picture and suggests a more balanced mix appealing to all age groups would be more appropriate.
- In order to meet the target mix by 2031, the biggest increase is needed in 4-bedroom properties, with 37.9% of new properties being required to have this many bedrooms. This is closely followed by a suggestion for 32.1% of new properties to have three bedrooms. This is followed by 17.9% of new properties having one bedroom and 8.3% of new properties having two bedrooms. A small proportion, 3.7%, should be 5 or more bedrooms. However, due to the increase in 4-bedroom dwellings as outlined in 2011-2021 completions and the overrepresentation of this size category across Harborough compared to England, it could be recommended to place less emphasis on 4-bedroom properties than outlined in the target mix.
- As mentioned previously, the model used is based on the older data available, and could be adjusted to reflect more recent factors by using newer data gained from a survey.

6. Next Steps

Recommendations for next steps

153. This Neighbourhood Plan housing needs assessment aims to provide Great Bowden 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 Harborough District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Harborough District Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Harborough District Council.
154. 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.
155. 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, Harborough District Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
156. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

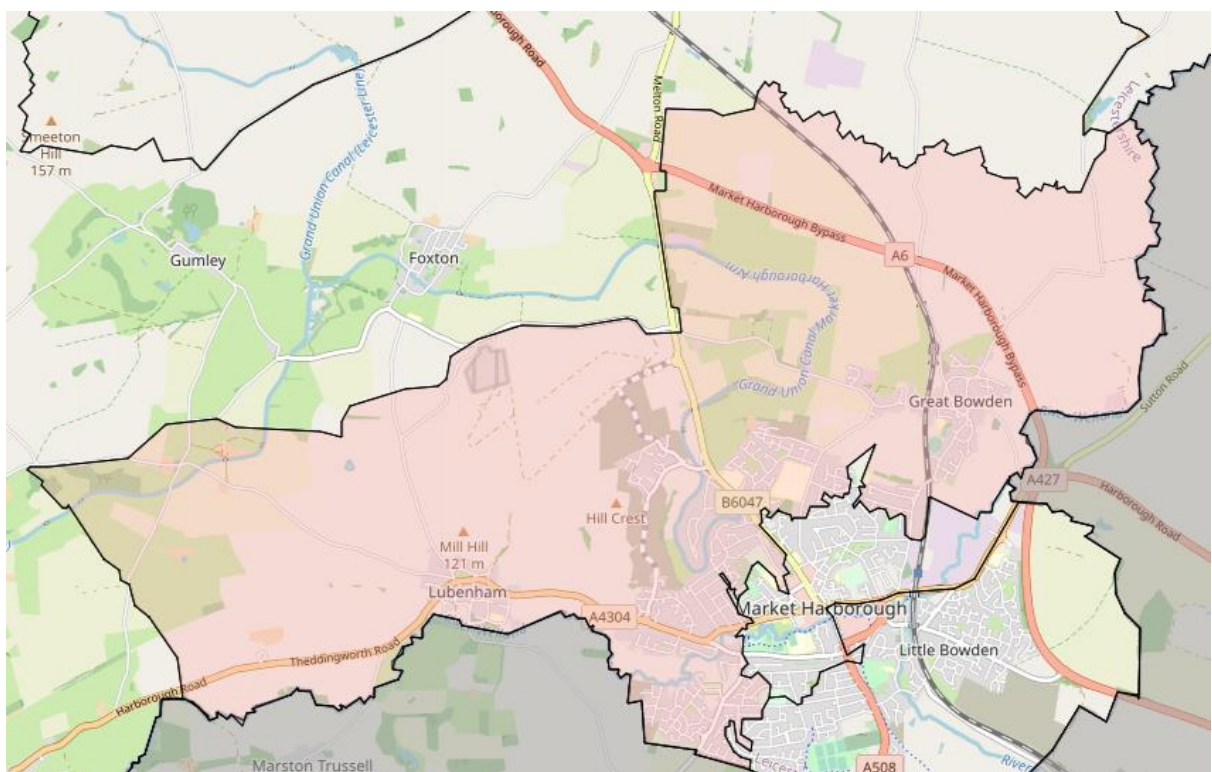
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

157. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

158. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Great Bowden, it is considered that MSOA E02005373 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02005373 appears in Figure A-1. This MSOA was chosen as it covers the entirety of the Neighbourhood Plan area.

Figure A-1: MSOA E02005373 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

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

i) Market sales

161. 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.
162. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Great Bowden, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
163. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £417,500;
 - Purchase deposit at 10% of value = £41,750;
 - Value of dwelling for mortgage purposes = £375,750;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £107,358.
164. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £324,250, and the purchase threshold is therefore £88,379.
165. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 2 sales of new build properties in the NA in 2021. There were too few sales in the NA specifically to determine an accurate average for the cost of new build housing in Great Bowden. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Harborough District Council and

new build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £369,196 and purchase threshold of £94,936.

166. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Harborough District Council in 2021. The median cost of new build dwellings in Harborough District Council was £346,975, with a purchase threshold of £89,222. Whilst still unaffordable for the average income in Great Bowden, this is slightly more affordable than the estimated NA new build.

ii) Private Rented Sector (PRS)

167. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
168. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
169. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area.
170. According to [home.co.uk](https://www.home.co.uk), there were 3 properties for rent at the time of search in July 2022, with an average monthly rent of £967. There were 2 two-bed properties listed, with an average price of £900 per calendar month.
171. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £900 x 12 = £10,800;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £35,964.
172. The calculation is repeated for the overall average to give an income threshold of £38,641.

A.3 Affordable Housing

173. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new

product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

174. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
175. 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 Great Bowden. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Harborough District Council in the Table A-1.
176. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£81.29	£92.61	£97.08	£109.39	£91.74
Annual average	£4,227	£4,816	£5,048	£5,688	£4,770
Income needed	£14,076	£16,036	£16,036	£18,942	£15,886

Source: Homes England, AECOM Calculations

ii) Affordable rent

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

180. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 53% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£91.40	£109.34	£121.75	£158.91	£109.19
Annual average	£4,753	£5,686	£6,331	£8,263	£5,678
Income needed	£15,827	£18,933	£21,082	£27,517	£18,907

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

First Homes

183. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
184. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £369,196.
185. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home = £369,196;
 - Discounted by 30% = £258,437;
 - Purchase deposit at 10% of value = £25,844;
 - Value of dwelling for mortgage purposes = £232,593;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £66,455.

186. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £56,962 and £47,468 respectively.
187. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
188. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m⁷) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Great Bowden.

Shared ownership

189. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
190. 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.
191. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
192. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £369,196 is £92,299;
 - A 10% deposit of £9,230 is deducted, leaving a mortgage value of £83,069;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £23,734;

⁷ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £276,897;
- The estimated annual rent at 2.5% of the unsold value is £6,922;
- This requires an income of £23,075 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £46,809 (£23,734 plus £23,075).

193. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £37,183 and £62,851 respectively.

194. The income thresholds are below the £80,000 cap for eligible households.

Rent to Buy

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

Help to Buy (Equity Loan)

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

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

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods⁸.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard⁹

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.

⁸ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁹ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principal 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 Order¹⁰

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)¹¹

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

Equity Loans/Shared Equity

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

¹⁰ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹¹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹², i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

¹² See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing¹³

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

¹³ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.¹⁴

¹⁴ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

