

Batcheller Monkhouse



Chichester Local Plan 2021-2039 Proposed Submission

Regulation 19 Consultation
3rd February – 17th March 2023

Representations on behalf of
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Appendix A – AECOM Birdham Housing Needs Assessment Report, January 2021

1 EXECUTIVE SUMMARY

1.1 These representations have been prepared on behalf of Mr Graham Pick of Northleigh Farm, Birdham. They relate in particular to the following parts of the Chichester Local Plan Review:

- Policy H1 Meeting Housing Needs
- Policy S2 Settlement Hierarchy
- Policy S1 Spatial Development Strategy
- Policy H3 Non-Strategic Parish Housing Requirements 2021-2039
- Policy H7 Rural and First Homes Exception Sites

1.2 The Council is not proposing to meet its objectively assessed housing need or accommodate any unmet need arising from the Chichester District part of the South Downs National Park. Subsequently we do not consider the Local Plan to have been positively prepared.

2 POLICY H1 – MEETING HOUSING NEEDS

2.1 A key objective of the Government is to significantly boost the supply of housing. Paragraph 60 of the NPPF states that to support this aim it is important that a sufficient amount and variety of land can come forward where it is needed.

2.2 In addition, paragraph 11 of the NPPF states:

Strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area;

or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

2.2.2 Paragraph 26 of the NPPF further states:

Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.

2.2.3 Section 33a of the Planning and Compulsory Purchase Act 2004 also requires planning authorities to co-operate with other local planning authorities and to engage constructively, actively and on an ongoing basis in the preparation of the Plan, in so far as it relates to a strategic matter. A strategic matter includes the sustainable development and use of land that has or would have a significant impact on at least two planning areas.

2.2.4 Policy H1 of the Draft Local Plan sets out a housing target of at least 10,350 dwellings to be delivered in the period 2021-2039. This equates to an annual provision of 575 dwellings per year, 63 dwellings per year less than the housing

target set by Government. Provision for accommodating unmet need arising from the Chichester District part of the South Downs National Park is now no longer proposed. Over the plan period this equates to 1,134 fewer dwellings provided, and potentially 340 fewer affordable homes (based on 30% provision).

- 2.2.5 The reason for the reduced housing target is cited as being 'constraints', in particular the capacity of the A27.
- 2.2.6 However, the Local Plan fails to consider how housing growth can help to sustain and expand existing public transport provision to make it a more attractive and viable option for existing and future residents. Further housing can also help to support existing shops and services in a settlement which can be accessed without the need to use the A27.
- 2.2.7 In particular, Birdham has a range of services and facilities suitable for serving the day to day needs of residents, including a primary school, shop and outdoor community facilities. Regular use of the A27 is not therefore inevitable if living in a settlement where a good range of facilities exists.
- 2.2.8 In addition, the Local Plan is proposing to deliver 114,652sqm of new employment space up to 2039. If the Local Plan fails to provide sufficient homes to house a local workforce it is in effect relying on in-commuting which will worsen the identified A27 capacity issues.

3 POLICY S2 – SETTLEMENT HIERARCHY

- 3.1 Policy S2 sets out a settlement hierarchy across the plan area which, it is stated, will be used to inform the spatial distribution of development across the plan area.
- 3.2 Birdham has been categorised as a Service Village alongside other settlements in the peninsula including Fishbourne and North Mundham. We support this categorisation which recognises the range of services available.
- 3.3 Paragraph 79 of the NPPF encourages housing delivery where it will enhance or maintain the vitality of rural communities. The Local Plan must acknowledge this and the importance of maintaining existing services within settlements such as Birdham.

4 POLICY S1 – SPATIAL DEVELOPMENT STRATEGY

- 4.1 The proposed spatial development strategy focuses the majority of planned growth in Chichester itself and within the east-west corridor. The role of the Manhood Peninsula is cited as being for existing communities, tourism and agricultural enterprise.
- 4.2 Criterion 4 states that new residential and employment development will be distributed in line with the settlement hierarchy, with a greater proportion of development in the larger and more sustainable settlements. Whilst we agree that development should be distributed in accordance with the settlement hierarchy, there should be provision for sites adjacent to service village boundaries to come forward for development where it would sustain existing facilities located there.
- 4.3 The non-strategic provision of housing in accordance with Policy H3 is discussed in the next section.

5 POLICY H3 NON-STRATEGIC PARISH HOUSING REQUIREMENTS 2021-2039

- 5.1 Policy H3 prescribes each parish with a housing figure, many of which has been significantly reduced from the previous iteration of the draft Local Plan.
- 5.2 In relation to Birdham, the figure has been reduced from 125 to zero.
- 5.3 As part of the preparation of the Birdham Neighbourhood Plan a parish housing needs assessment was undertaken. A report by AECOM on the assessment findings was published in January 2021. The report estimated a need for 43 affordable rented properties over the plan period (2020-2035), or 3 dwellings per year. The report also estimated a need for 26 shared ownership dwellings.
- 5.4 This quantum of affordable housing provision is more likely to be provided as a proportion of an open market housing scheme. On the basis of 30% of units provided as affordable houses, 230 houses would need to be built between 2020 and 2035 to ensure this number of affordable homes are delivered. A housing figure closer to this number for the parish of Birdham should be considered.
- 5.5 Whilst the Local Plan cites A27 capacity issues as the reason for reduced housing provision on the peninsula, housing need remains high. Given the unaddressed housing need that also exists within the wider district, it is reasonable to assume that much of the capacity issues can be attributed to commuting traffic caused by a lack of available local housing. By providing housing in locations with good public transport connections and where cycling to work is a realistic option, commuting traffic can be reduced.

6**POLICY H7 RURAL AND FIRST HOMES EXCEPTION SITES**

- 6.1 Policy H7 supports the provision of affordable housing on rural sites as an exception to countryside policies. National policy sets out that First Homes can be classified as affordable housing and that First Home exception sites need to be 'primarily' for First Homes, and hence can include a small market housing component. This should be reflected in the wording of Policy H7 which currently only refers to market housing in the context of a viability assessment being required where such housing is proposed.

APPENDIX A

Birdham Housing Needs Assessment (HNA)

January 2021

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1	September 2020	Draft for internal review	GR AAM	Guillaume Rey & Angelica AgredoMontealegre	Graduate Consultants
2	September 2020	Internal review	PA	Paul Avery	Senior Consultant
3	October 2020	Update to reflect Government's proposed changes to planning policy	KP	Kerry Parr	Associate Director
4	December 2020	Group review	GC	Graham Campbell	Birdham Parish Council
5	January 2021	Locality review	AO	Annabel Osborne	Neighbourhood Planning Officer
6	January 2021	Final report	PA	Paul Avery	Senior Consultant

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This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (i.e. the neighbourhood planning group) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Qualifying Body is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage. Where evidence from elsewhere conflicts with this report, the Qualifying Body should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

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Birdham Neighbourhood Plan Housing Needs Assessment

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List of acronyms used in the text:

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

1. Executive Summary

1.1 Conclusions – Tenure and Affordability

- Levels of home ownership within the NA are considerably higher than both the national and local averages. In contrast, social rent levels in Birdham are markedly lower compared with Chichester and England. The private rented sector is also below the national and local average. Although shared ownership levels are slightly higher than in the wider geographies, the number of shared ownership properties is small in number.
- Among the most significant changes between 2001 and 2011, shared ownership and social rented levels decreased in the NA, well above the decrease experienced on a national level and in marked contrast with Chichester's overall increase in social rent of 10%. The increase in private renting was significantly lower than the rises seen in Chichester and England.
- Furthermore, a total of 17 additional affordable rented homes and 12 shared ownership homes were delivered between 2011 and 2020. There are currently 15 affordable rented homes with planning permission in the Parish – yet to be built.
- Between 2010 and 2019, mean average house prices, median prices, and lower quartile prices all increased significantly. The mean average price of a property in the NA at the end of 2019 was £791,730; while lower quartile properties were priced at £403,750 on average at the end of 2019.
- All types of houses experienced price increases, with terraced houses experiencing the sharpest price increase and flats the lowest.
- The average total household income in 2018 was £39,600. Chichester's gross LQ weekly earnings for 2018 was approximately £11,609 per year and the income of LQ-earning households with two earners was £23,218.
- The income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also higher than that available to those on average incomes as well as those on lower quartile household incomes.
- The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these households will require additional subsidy.
- Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In Birdham, even the most affordable discounted tenures (25% shared ownership and 50% discounted market sale) would not be affordable to those on average incomes, though they would extend home ownership to some households currently priced out of the market.
- Households with incomes between £43,160 and £103,821 are able to rent in the market but unable to buy. These households may need affordable home ownership options. Shared ownership (25%) and discounted market sale (-50%) would extend homeownership to the widest group, although these discounts and schemes would not be sufficient for households on average incomes. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes which would not be sufficient to extend home ownership to households on average incomes and so much higher discounts would be needed. A discount of 67% would be required for new homes to be affordable to households on average incomes. This is substantially higher than the 30% discount envisaged in the First Homes product. However, the maximum discount allowed under the Government's latest proposals will be 50%. The income required to access Rent to buy (£48,280) is the same as that required to afford market rents which makes this option one of the more affordable routes to home ownership even though it remains just out of reach of households on average income.
- AECOM's calculation of the number of dwellings needed for affordable rent in Birdham resulted in an estimated annual need of 3 affordable rented dwellings each year, or 43 dwellings over the Plan Period (2.85 x 15). As the Chichester HEDNA does not produce a need figure for affordable home ownership, we estimated potential demand for affordable home ownership products within Birdham. This resulted in around 2.6 household per annum who may be interested in affordable home ownership (26 over the plan period).
- The HEDNA, using the Basic Needs Assessment Model recommended in the PPG, identified an overall need for affordable housing of 5,700 units over the 20-years to 2036 (285 per annum) across Chichester District.

- The HEDNA has also examined sub-area housing need based on the lower quartile rental costs in each area. The highest net need is located in the Manhood Peninsula, where Birdham is located, although there is also notable need in Chichester City.
- Finally, the HEDNA recommends the following tenure split:
 - Market sale – 65%;
 - Affordable Home Ownership (including Starter Homes and Intermediate) – 10%;
 - Affordable rent – 12.5%; and
 - Social rent – 12.5%
- Two indicative tenure mixes have been provided for the NA, which could serve as a guideline for the breakdown of Affordable Housing tenures in Birdham based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 67% of affordable homes be provided as rented tenures, and the remaining 33% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 67% of affordable homes be provided as rented tenures, 25% as First Homes and the remainder (8%) as Rent to Buy. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.
- Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

1.2 Conclusions- Type and Size

- This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
- The 2011 Census shows that there were 730 households in Birdham, living in 457 detached houses, 114 semi-detached, 92 terraced houses, and 24 flats. Compared with Chichester, Birdham is characterised by a significantly higher percentage of detached houses, and a lower proportion of other types of homes, especially semi-detached houses and purpose-built flats or tenements.
- The housing stock in Birdham is characterised by a large percentage of dwellings with five rooms or more (i.e. 79.8%), which is slightly higher than the pattern across Chichester (i.e. 71.7%). A significant percentage of Birdham's stock corresponds to very large dwellings, with 29% of homes having eight rooms or more, compared to 19.5% in Chichester. Birdham has a lower percentage of small homes than Chichester, with respectively 20.2% and 28.3% of dwellings having one to four rooms. Both Birdham and Chichester have a low percentage of homes with three or less rooms, with 5.3% and 10.6% respectively.
- The HEDNA estimated the size mix of dwellings in Chichester District by 2036 as follows: 42% three-beds, 28% two-beds, 25% four-and-more-beds, and 5% one-beds. For the Manhood Peninsula, the HEDNA's estimates are similar, with 42% of three-beds, 29% two-beds, 24% four-and-more-beds, and 4% one-beds.
- In terms of demographics, 2011 Census data reveals that Birdham has a higher number of people between the ages 45-84 than the wider geographies, and a lower percentage of people between the ages 16-44. Birdham's population over the age of 85 is similar than that of Chichester and higher than that of England. In addition, given that a high percentage of the population in Birdham is within the 65-84 age group, there is a large cohort of people in this age group likely to enter retirement age during the Plan period (or that have already done so since the last Census). Although there is a considerable percentage of younger people in the 0-15 age band (16%), there is a much higher proportion of people in the 45-64 and 65-84 age groups (30% and 25%).

- In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has expanded in all but two categories: 14-24 and 25-44. The largest increases have been in the 0-15 and 85 and over age groups. The increase in the 0-15 category is significantly higher than is seen in the wider geographies. However, the resulting percentage of younger people in the NA matches that of Chichester and is below the England average. Although the increase in the 85 and over age group is comparatively lower than in Chichester and England, the rise in the percentage of people in the 45-64 and 65-84 age groups indicates that the NA has an aging population.
- In terms of household composition, Birdham differs from the LA in that the percentage of households whose members are all aged 65 and over is higher, as well as the percentage of couples with no children. In contrast, the percentage of single people households is lower than in the wider geographies, especially for people aged 64 or less. The percentage of families with dependent and non-dependent children follows broadly the same pattern as in Chichester and England, although the percentage is slightly lower in the NA, especially compared with England.
- Between 2001 and 2011, the main changes in household composition were: (i) an increase in the percentage of households with non-dependent children (36.8%), (ii) a 13.9% increase in the proportion of families with dependent children, and (iii) an increase in the percentage of single people households aged 65 and over (7.6%).
- The result of the HNA modelling suggests that by 2035, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority (43%). The NA should also increase the supply of two- and one-bedroom dwellings with limited priority on the provision of four-and-more beds. These results are driven by demographic change and current occupancy patterns and then compared to the existing stock. However, there may be good reasons to provide large sized (four-and-more-bed) properties, e.g. to offer attractive upsizing opportunities for families with children.
- This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some two- and three-bedroom dwellings. The provision of these homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for one- and four-or-more bedroom homes and the local implications of this.

2. Context

2.1 Local context

1. Birdham is a Neighbourhood Plan area located in Chichester District, West Sussex. The Neighbourhood Area (NA) was designated on 4 December 2012 and the designated area coincides with the parish boundary.
2. The proposed Neighbourhood Plan period starts in 2020 and extends to 2035, therefore comprising a planning period of 15 years.
3. The NA is located in the southern area of Chichester District. Its northern border is substantially formed by Chichester Harbour and Chichester Marina and the NA is in close proximity of Medmerry Nature Reserve and Pagham Harbour to the south. The A286 runs approximatively through the middle of the NA, and the area to the north of the A286 falls within the Chichester Harbour Area of Outstanding Natural Beauty. A part of the Somerley Conservation Area falls within the NA boundary and a section of the Chichester Canal runs through the NA. The population is mostly concentrated in the central area, along the A286, although there is a small cluster northwest of the NA, bordering the Chichester Channel. A few farms are scattered throughout the remainder of the NA.
4. For Census purposes, the Neighbourhood Plan 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:
 - E00160849
 - E00160850
 - E00160851
 - E00160852
 - E00160853
5. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1,483 residents.
6. A map of the Plan area appears below in Figure 2.1.

Figure 2.1: Map of the Birdham Neighbourhood Plan area¹



Source: Chichester District Council, Neighbourhood Planning, n.d.

¹ Available at https://www.chichester.gov.uk/media/17074/Birdham-Parish-Council-Neighbourhood-Plan-Area/pdf/Map_of_Neighbourhood_Area.pdf

7. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

2.2 Planning policy context

8. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
9. In the case of Birdham, the relevant local planning context is as follows:
10. The Chichester Local Plan: Key Policies 2014-2029, adopted in July 2015, sets out planning policies for the period 2014-2029.⁴ This local plan replaced those parts of the Chichester District Local Plan 1999 that applied at the time of adoption, and the plan does not include the part of the District within the South Downs National Park Authority. The effectiveness of the plan is monitored through the yearly production of an Authority’s Monitoring Report and will be reviewed when necessary.
11. A Birdham Neighbourhood Plan covering the period 2014-2029 was made in 2016 and is currently being reviewed to cover the period from 2020 to 2035.⁵ However, this section will focus on the review of the applicable policies within the Local Plan.

2.2.1 Policies in the adopted local plan⁶

Table 2.2: Summary of Chichester adopted policies having relevance to Birdham Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
Policy 2: Development Strategy and Settlement Hierarchy	According to this policy, outside of Chichester City and the Settlement Hubs, the Service Villages (i.e. local centres for services providing for villages and parishes, including Birdham) will be the focus for new development and facilities. In the Service Villages, the policy makes provision for small scale housing developments consistent with the indicative housing numbers set out in Policy 5. For hamlets, scattered development and countryside, the policy states that this list is restricted to that which requires a countryside location or meets an essential local rural need or supports rural diversification in accordance with Policies 45-46.
Policy 4: Housing Provision	This policy makes provision to deliver 7,388 homes over the period 2012-2029. The broad distribution of housing across different parts of the Plan area is indicated below: <ul style="list-style-type: none"> • 6,156 homes in East-West Corridor; • 893 homes in Manhood Peninsula; and • 339 homes in North of Plan Area. Strategic development locations are allocated in the Plan to accommodate 3,250 homes over the Plan period (Policies 15-18); while additional strategic and parish housing sites will be allocated in subsequent Development Plan Documents and neighbourhood plans in accordance with Policies 5, 20, 23 and 24.
Policy 5: Parish Housing Sites 2012-2029	This policy states that small scale housing sites will be identified to address the specific needs of local communities in accordance with indicative parish housing numbers. For Birdham Parish (within the Manhood Peninsula area), this indicative number is 50. The policy states that suitable sites will be identified in neighbourhood plans or in a Site Allocation DPD which the Council will prepare following the adoption of the Local Plan.

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

³ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁴ Available at https://www.chichester.gov.uk/media/24759/Chichester-Local-Plan--Key-Policies-2014--2029/pdf/printed_version.pdf

⁵ Available at <https://birdham.org.uk/birdham-neighbourhood-plan-made-version/>

⁶ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy 6: Neighbourhood Development Plans	This policy states that Neighbourhood Development Plans should show how they are contributing towards the strategic objectives of the plan and are in general conformity with its strategic approach, set out how they will promote sustainable development at the same level or above that which would be delivered through the Local Plan, and take into account information on local needs (in particular for new homes) for their plan area.
Policy 33: New Residential Development	This policy sets out criteria required for the approval of new residential development and replacement dwellings. The criteria include: <ul style="list-style-type: none"> • Having an appropriate density of development (determined by the immediate context, on-site constraints, the type of development proposed and the need to provide an appropriate mix of dwellings); and • Having a design that respects and where possible enhances the character of the surrounding and site, its setting in terms of its proportion, form, massing, siting, layout, density, height, size, scale, neighbouring and public amenity and detailed design.
Policy 34: Affordable Housing	This policy makes provision for a 30% affordable housing contribution to be sought as part of residential development where there is a net increase of dwellings. The policy also makes provision for affordable dwellings to be provided on site on all sites of 11 dwellings or more. On sites of 6 to 10 dwellings in areas designated as rural areas under section 157 (1) of the Housing Act 1985, the Council will seek a financial contribution for the provision of affordable dwellings as a commuted sum unless the developer makes onsite provision. Where the affordable housing calculation results in fractions of homes, the fraction will be sought as a commuted sum.
Policy 35: Affordable Housing Exception Sites	This policy sets out the required criteria for the approval of building affordable housing on exception sites outside of Settlement Boundaries where there are no available and deliverable sites within a settlement. These criteria include provision of 100% affordable housing and contribution to meet an identified local need by households with a "local connection" to the parish and the mix of dwelling sizes, types and tenures being supported by the local housing need.
Policy 37: Accommodation for Agricultural and other Rural Workers	This policy sets out criteria for development proposals requiring a countryside location for full-time workers in agriculture, forestry or other businesses. The criteria include the siting and landscaping of the new dwelling minimising the impact to the character and appearance of the countryside and ensuring no adverse impact on designated sites.
Policy 40: Sustainable Design and Construction	This policy sets out criteria for new dwellings in proportion to the scale of the development. The criteria include the achievement of a minimum of 110 litres per person per day including external water use.
Policy 43: Chichester Harbour Area of Outstanding Natural Beauty (AONB)	This policy sets out criteria for planning proposals with an individual and cumulative impact on Chichester Harbour AONB and its setting. The criteria include: <ul style="list-style-type: none"> • The natural beauty and locally distinctive features of the AONB area are conserved and enhanced; • Is appropriate to the economic, social and environmental wellbeing of the area or is desirable for the understanding and enjoyment of the area; and • The policy aims of the Chichester Harbour AONB Management Plan are met.
Policy 46: Alterations, Change of Use and/or Re-use of Existing Buildings in the Countryside	This policy sets out criteria for proposals for the conversion or reuse of a building in the countryside, outside Settlement Boundaries. The criteria include, for residential (including holiday use), the re-use of a traditional building of architectural or historic merit. The policy also states that development/conversions that would create new isolated homes in the countryside will be avoided unless there are special circumstances as outlined in Government guidance.

Source: Chichester Local Plan, 2015

2.2.2 Policies in the emerging local plan⁷

Table 2-3: Summary of Chichester adopted policies having relevance to Birdham Neighbourhood Plan Housing Needs Assessment

Policy	Provisions																																		
Policy S3:	This policy sets out the broad approach for development in the plan area. For the Manhood Peninsula, the policy states that the strategy will be mainly to reinforce its role as home to existing communities, tourism and agricultural enterprise. The policy also states that new residential development will be distributed in line with the settlement hierarchy, with a greater proportion of development in large settlements. The policy makes provision for non-strategic provision of small scale housing developments in service villages following the indicative housing numbers set out in Policy S5.																																		
Policy S4: Meeting Housing Needs	<p>This policy seeks to make provision for an additional 12,350 dwellings to be delivered during the period 2016-2035, in accordance with the findings of the Chichester Housing and Economic Development Needs Assessment (HEDNA). The sources of supply anticipated in the Plan are as follow:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Number of dwellings (minimum)</th> </tr> </thead> <tbody> <tr> <td>Housing requirement for the full Plan period (1 April 2016 to 31 March 2035)</td> <td>12,350</td> </tr> <tr> <td>Housing completions (1 April 2016 to 31 March 2017)</td> <td>439</td> </tr> <tr> <td rowspan="6">Housing supply (1 April 2017 to 31 March 2035)</td> <td>Known commitments (<i>comprising</i>)</td> <td>6,444</td> </tr> <tr> <td> <i>Outstanding adopted LP allocations without pp</i></td> <td>1,950</td> </tr> <tr> <td> <i>Outstanding 'made' NP allocations without pp</i></td> <td>189</td> </tr> <tr> <td> <i>Planning permissions as of 1 April 2017</i></td> <td>4,305</td> </tr> <tr> <td>Proposed Strategic Locations/Allocations</td> <td>4,400</td> </tr> <tr> <td>Parish Housing Requirements</td> <td>500</td> </tr> <tr> <td></td> <td>Windfall (small site allowance)</td> <td>695</td> </tr> <tr> <td>Total supply for the full Plan period (1 April 2016 to 31 March 2035)</td> <td>12,478</td> </tr> </tbody> </table> <p>The spatial distribution of this supply across the different plan areas is as follows:</p> <table border="1"> <thead> <tr> <th>Sub-Area</th> <th>Housing provision 2016-2035</th> </tr> </thead> <tbody> <tr> <td>East-West Corridor</td> <td>10,056</td> </tr> <tr> <td>Manhood Peninsula</td> <td>1,933</td> </tr> <tr> <td>North of Plan Area</td> <td>489</td> </tr> <tr> <td>Plan Area Total</td> <td>12,478</td> </tr> </tbody> </table>	Category	Number of dwellings (minimum)	Housing requirement for the full Plan period (1 April 2016 to 31 March 2035)	12,350	Housing completions (1 April 2016 to 31 March 2017)	439	Housing supply (1 April 2017 to 31 March 2035)	Known commitments (<i>comprising</i>)	6,444	<i>Outstanding adopted LP allocations without pp</i>	1,950	<i>Outstanding 'made' NP allocations without pp</i>	189	<i>Planning permissions as of 1 April 2017</i>	4,305	Proposed Strategic Locations/Allocations	4,400	Parish Housing Requirements	500		Windfall (small site allowance)	695	Total supply for the full Plan period (1 April 2016 to 31 March 2035)	12,478	Sub-Area	Housing provision 2016-2035	East-West Corridor	10,056	Manhood Peninsula	1,933	North of Plan Area	489	Plan Area Total	12,478
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Policy S5: Parish Housing Requirements 2016-2035	<p>This policy states that small scale housing sites will be identified to help provide for the needs of local communities in accordance with the parish housing requirements set in this policy. Suitable sites will be identified either through neighbourhood plans (or subsequent development plan documents). For Birdham, the policy makes provision for 125 dwellings.</p> <p>The policy adds that if draft neighbourhood plans making provision for at least the minimum housing numbers of the relevant area have not been submitted for examination within six months of the adoption of the Local Plan, the Council will allocate sites for development within a Development Plan Document in order to meet the requirements of the Local Plan.</p>																																		

⁷ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy S6: Affordable Housing	<p>This policy makes provision for an affordable housing requirement of 30% of all new dwellings and sets out the following criteria:</p> <ul style="list-style-type: none"> • On all sites of 11 dwellings or more, affordable dwellings should be provided on site (unless demonstrated that affordable housing may not be appropriate, in which case development of affordable dwellings on another site may be considered – in case this is not achievable, the Council will seek a financial contribution to enable provision of affordable homes elsewhere in the plan area). • On sites of 6 to 10 dwellings in areas designated as rural areas, the Council will seek a financial contribution for the provision of affordable dwellings as a commuted sum using the calculation set out in the council's Planning Obligation and Affordable Housing Supplementary Planning Document (SPD), or replacement document. • Where the affordable housing calculation results in fractions of homes, the fraction will be sought as a commuted sum, using the calculation set out in the Council's Planning Obligation and Affordable Housing SPD (or replacement document). • A vacant building credit may be applied where it can be demonstrated that qualifying buildings are vacant. Whether a building is genuinely vacant will be determined on a site by site basis. • Where a proposal is unable to meet the requirements for the delivery of affordable housing due to it rendering the proposal financially unviable, developers will be expected to assess options in accordance with the following: <ul style="list-style-type: none"> a. Firstly, establish if any public subsidy is available to deliver a policy compliant mix; b. Secondly, reduce the proportion of rented affordable tenure homes in favour of intermediate housing that best reflects local need; c. Thirdly, reduce the overall percentage of housing provided as affordable units; and d. Finally, provide a financial contribution for affordable housing to be delivered off-site. This criterion should be demonstrated through an 'open book' process. An independent valuer appointed by the Council, at the developer's cost, will provide an independent viability assessment. <p>This policy adds that the housing element should be in line with Policy DM2 Housing Mix, and that affordable housing should be indistinguishable from market housing in terms of the location, external appearance, design, standards and build quality and should meet all requirements of design policies.</p> <p>The policy states that neighbourhood plans can set out higher requirements for affordable housing provision where local evidence of need and viability support this.</p>
Policy DM1: Specialist Housing	<p>This policy states that proposals for specialist needs housing (such as homes for older people, people with disabilities, student accommodation or other specific groups who may require properties specifically designed and/or allocated) will be supported where:</p> <ul style="list-style-type: none"> • There is a clear identified need; • The development is located in an area that is sustainable to meet the social as well as the housing needs of the intended residents; • It will not lead to a concentration of similar uses in an area that would be detrimental to the character or function of an area and / or residential amenity; • It is in close proximity to everyday services, preferably connecting by safe and suitable walking / cycling routes or public transport for the intended occupier; • It can be demonstrated that the development is designed and managed to provide the most appropriate types of support for the target resident; • It can be demonstrated that revenue funding can be secured to maintain the long-term viability of the scheme; and • The scheme is supported by the relevant statutory agencies. <p>The policy adds that proposals which may result in the loss of specialist needs accommodation will not be permitted unless it can be demonstrated that there is no longer a need for such accommodation in the Plan area, or alternative provision is being made available locally through replacement or new facilities.</p>

Policy Provisions

Policy DM2:
Housing Mix

This policy states that all new residential development must provide homes of an appropriate type, size and tenure to address the identified needs and market demand and to support mixed and balanced communities. Proposals should provide a mix of dwelling sizes and tenures broadly in accordance with the table below.

	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Affordable rented housing delivered as part of a market housing scheme (20% of total requirements)	25-30%	40-45%	20-25%	5-10%
Low cost homeownership as part of a market housing scheme (10% of total requirements)	20%	40%	30%	10%
Market housing (70% of total requirements)	At least 5%	At least 30%	Up to 45%	Up to 20%

Planning permission will be granted for an alternative mix provided that:

- Robust evidence of local housing need demonstrates that a different mix of dwellings is required to meet local needs and demand for specific types, tenures and sizes of housing to contribute to the diversity of housing in the local area and help to redress any housing imbalance that exists; or
- It addresses need and demand for affordable, market housing including self-build and custom-build housing, older person and specialised housing.

This policy also states that development proposals for residential development will be permitted where it is clearly demonstrated that the proposal responds to the requirements of a changing population and of particular groups in the community, by increasing the supply of accessible and specialist housing (including ground floor flats, flats with lifts and bungalow accommodation) which is able to meet people’s needs throughout their lifetimes based on locally derived evidence of need and demand.

On strategic development locations (or site of 200 dwellings or more), additional specialised housing should be considered where demand exists, to meet defined specialist needs.

The policy states that up to 3% of dwellings should be designed to the standards of Building Regulations Part M (4) Category 3: Wheelchair accessible dwellings (or any replacement standards) – which will be considered on a site by site basis.

The policy establishes that all housing should be designed to meet the Nationally Described Space Standards (or any replacement standards).

Policy DM3:
Housing Density

This policy states that all new housing will be developed at a density that is consistent with making the best use of land while achieving high quality, sustainable design that does not compromise the distinctive character of the area in which it is located. This policy establishes that development proposals at a minimum average net density of 35 dwellings per hectare will be supported except at:

- Accessible urban locations with transport links and good access to services, where higher densities will be encouraged;
- Locations adjacent to sensitive locations (i.e. nationally designated areas of landscape, historic environment or nature conservation protection) where a lower density may be appropriate.

Policy DM4:
Affordable Housing
Exception Sites

This policy states that where there are no available and deliverable sites within a settlement, affordable housing may be permitted on exception sites outside of Settlement Boundaries to meet a specific local need where one of the two following criteria is met:

- In settlements that have a defined Boundary, proposals should be located adjacent to the Boundary and in all circumstances be less than 30 dwellings and well related to the settlement, local services and facilities; or
- In the rest of the plan area, schemes will only be permitted where it is considered that the proposal is modest in scale and can be integrated to an existing settlement without damage to its character or setting and is well related to local services and facilities.

In addition, the policy states that all of the following criteria must be met:

- The scheme provides 100% affordable housing (unless a robust justification is provided);
- The proposed development would help meet an identified local need of households with a ‘local connection’ to the parish, and the mix of dwelling sizes, types and tenures is supported by a local housing need assessment;
- There are insufficient sites available and deliverable within the Settlement Boundary (where applicable) to meet the local need for affordable housing;
- The proposed scheme is economically viable and deliverable, and is able to be properly managed by a partner Registered Provider, Community Land Trust or other Approved Body in perpetuity; and
- The site is subject to an appropriate planning obligation to ensure that the affordable housing will be retained in perpetuity as affordable housing for households with a local connection.

Policy	Provisions
Policy DM6: Accommodation for Agricultural and other Rural Workers	<p>This policy sets out criteria for development proposals to meet the accommodation needs of full-time workers in agriculture, forestry or other businesses requiring a countryside location. The criteria include:</p> <ul style="list-style-type: none">• Provision on-site or in the immediate vicinity of the agricultural operation, is essential for the operation of the business;• No suitable accommodation exists or could be made available in established buildings on the site or in the immediate vicinity;• Clear evidence is provided of the economic viability of the business enterprise that the accommodation is intended to support; and• The dwelling is of a size commensurate with the operational requirements of the business. <p>This policy also clarifies that planning permission for the removal of a restrictive occupancy condition for agricultural or related workers on a dwelling will only be granted where it can be demonstrated that:</p> <ul style="list-style-type: none">• That there is no longer a continued need for the property on the holding or for the business;• There is no long term need for a dwelling with restricted occupancy to serve local need in the locality; and• The property has been marketed locally for an appropriate period (minimum 18 months) at an appropriate price and for its use as an agricultural tied dwelling and evidence of marketing can be produced.

Source: Chichester Local Plan Review 2035⁸

2.2.3 Quantity of housing to provide

12. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
13. Chichester has fulfilled that requirement by providing Birdham with the following housing requirement figures to be accommodated within the Neighbourhood Plan area by the end of the Plan period:⁹
 - Adopted Chichester Local Plan: Key Policies 2014-2029: Policy 5: Parish Housing Sites 2012-2029 – Birdham has an indicative housing allocation for 50 dwellings.
 - Local Plan Review 2016-2035: Preferred Approach: Policy S5: Parish Housing Requirements 2016-2035 – Birdham has an indicative housing number of 125 dwellings.
14. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
15. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.¹⁰ The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
16. It is important to note here because the housing requirement for Birdham, as set out in the emerging Local Plan, is sufficiently high that even during the period in which this temporary change applies, sufficiently large sites may still be required to deliver Affordable Housing contributions, providing they plan to deliver more than 40-50 dwellings. Turning to the known housing allocations for Birdham, it is expected that a number of sites will meet this threshold.
17. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 11 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the Birdham Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighbourhood planners are advised to take note of this proposal as it evolves through the consultation process.

⁸ Available at https://www.chichester.gov.uk/media/31058/Local-Plan-Review-2016-2035-Preferred-Approach/pdf/Local_Plan_Review_2016-2035_-_Preferred_Approach.pdf

⁹ As confirmed an e-mail from Bryn Jones, Chichester District Council, September 2020.

¹⁰ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

3. Approach

3.1 Research Questions

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

3.1.1 Tenure and Affordability

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

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

3.1.2 Type and Size

22. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group require an objective assessment of housing need in an area with strong and growing development pressures.
23. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

3.2 Relevant Data

3.2.1 Local authority evidence base

24. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Birdham Neighbourhood Area is located within Chichester's planning area, we therefore turned to the relevant Local Housing Need Assessment (LHNA), which is known as Chichester Housing and Economic Development Needs Assessment (HEDNA) dated August 2018.
25. For the purpose of this HNA, data from Chichester's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

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

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

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

4.1 Introduction

27. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.¹¹

4.2 Definitions

28. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
29. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.¹²
30. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). As part of this effort, the Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.¹³ However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

31. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Birdham, compared to the rest of Chichester and England.
32. The data shows that levels of home ownership within the NA are considerably higher than both the national and local averages (i.e. 78.9% against 63.3% in England and 67.2% in Chichester). In contrast, social rent levels in Birdham (7.8%) are markedly lower compared with Chichester (14.9%) and England (17.7%). The private rented sector is also below the national and local average with 9.3% as compared with 14.9% in Chichester and 16.8% in England. Although shared ownership levels are slightly higher than in the wider geographies, they are still relatively low, at 1.2%.

¹¹ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹² NPPF 2019.

¹³ The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

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

Tenure	Birdham	Chichester	England
Owned; total	78.9%	67.2%	63.3%
Shared ownership	1.2%	0.9%	0.8%
Social rented; total	7.8%	14.9%	17.7%
Private rented; total	9.3%	14.9%	16.8%

Sources: Census 2011, AECOM Calculations

33. In Table 4-2, we note the changes in tenure during the intercensal period. The most significant changes are as follow: (i) in sharp contrast with national and local levels, shared ownership decreased by 33.3%; (ii) social rented levels decreased by 18%, a reduction well above that experienced on a national level (of 0.9%) and in marked contrast with Chichester, which saw an increase in social rent of 10%; (iii) a 17.6% increase in private renting, a figure significantly lower than the rises seen in Chichester (76.7%) and England (82.4%).

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

Tenure	Birdham	Chichester	England
Owned; total	5.2%	4.2%	-0.6%
Shared ownership	-33.3%	138.2%	30.0%
Social rented; total	-18.0%	10.0%	-0.9%
Private rented; total	17.6%	76.7%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

34. The LA provided additional data on affordable housing delivery in Birdham Parish since 2011, reproduced in Table 4-3 below. A total of 17 additional affordable rented homes and 12 shared ownership homes were delivered between 2011 and 2020. There are currently 15 affordable rented homes with planning permission in the Parish – yet to be built.

Table 4-3: Affordable housing delivery record in Birdham since 2011

Year	Number of affordable rented homes delivered	Number of shared ownership delivered
2011-12	-	-
2012-13	-	-
2013-14	7	3
2014-15	-	-
2015-16	-	-
2016-17	6	6
2017-18	-	-
2018-19	-	-
2019-20	4	3
Total delivered	17	12
2020 onwards*	15	-

Source: Chichester District Council, September 2020

4.4 Affordability

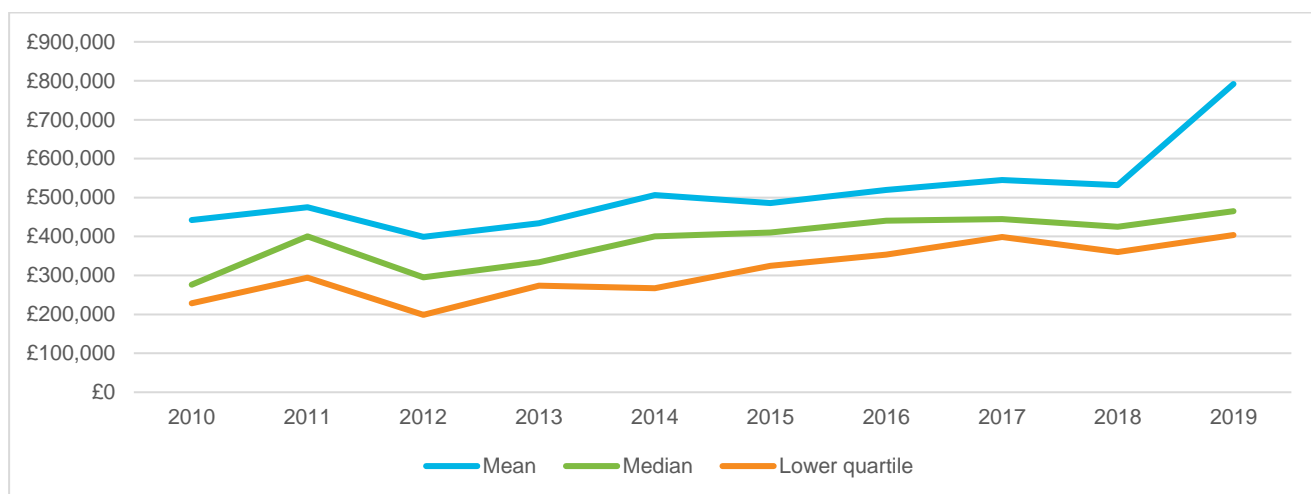
35. Having reviewed the tenure of the existing housing stock in Birdham and the findings of the HEDNA, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.

36. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability or homes to rent or buy can indicate the need to provide Affordable Housing.

4.4.1 House prices

37. 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.
38. Figure 4.1 on the following page looks at selected measures of house prices in Birdham. The data is drawn from transactions in the PO20 postcode area rather than the specific boundaries of the neighbourhood area because of the very low number of transactions. It shows that between 2010 and 2019, mean average house prices increased by 78.9%, rising especially fast from 2018 to 2019. Median prices increased by 68.3%, with the exception of two slight declines in 2012 and 2018. Following a similar pattern, lower quartile prices (entry-level properties usually with one or two bedrooms) increased by 77%. The mean average price of a property in the NA at the end of 2019 was £791,730; while lower quartile properties were priced at £403,750 on average at the end of 2019.
39. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁴ Entry-level properties are typically those with one or two bedrooms – either flats or houses.

Figure 4.1: House prices by quartile in Birdham between 2010 and 2019



Source: Land Registry PPD

40. Table 4-4 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that detached and semi-detached dwellings experienced pronounced price increases, rising by 37.4% and 28.8% respectively. Although it is not possible to calculate the rise in the price of terraced houses from 2010 to 2019 given that no such properties were sold in 2019, from 2010 to 2018 the price of this type of dwelling increased by 55.1%, making it the type of home with the sharpest price increase. Flats were the type of property with the smallest price growth, with a 9.4% increase.

¹⁴ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

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

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£699k	£510k	£581k	£541k	£662k	£526k	£618k	£621k	£591k	£960k	37.4%
Semi-detached	£267k	£289k	£246k	£283k	£333k	£330k	£363k	£359k	£336k	£343k	28.8%
Terraced	£223k	N/A	£206k	£239k	£270k	£265k	£317k	£490k	£345k	N/A	N/A
Flats	£160k	N/A	£162k	£128k	N/A	N/A	£175k	£190k	N/A	£175k	9.4%
All Types	£443k	£475k	£399k	£434k	£506k	£486k	£519k	£545k	£532	£792k	78.9%

Source: Land Registry PPD (rounded to nearest £1,000). Note that values marked "N/A" refer to a lack of sales of the type of property.

4.4.2 Income

41. 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.
42. The first source is locally specific but limited to the average total household income. This data uses the average household income estimates published by ONS¹⁵ at the level of the Middle-layer Super Output Area (MSOA)¹⁶. In the case of Birdham the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02004167. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
43. The average total household income before housing costs (equalised) across E02004167 in 2018 was £39,600 per annum. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁷
44. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level.
45. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
46. Chichester's gross LQ weekly earnings for 2018 was approximately £11,609 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £23,218.

4.4.3 Affordability Thresholds

47. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': purchase thresholds and income thresholds. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
48. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to affords private rent and the range of Affordable Housing tenures as set out in NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum

¹⁵Available at

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

¹⁶ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

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

¹⁷ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

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 and assuming the household has access to a 10% deposit.

49. Table 4-5 shows the cost of different tenures and the annual income required to support these costs within Birdham. The income required column is the annual income needed to support ongoing housing costs and assumes that the household has access to a 10% deposit. Some households able to access market housing for purchase may already hold equity from an existing property which could reduce the amount they need to borrow.

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

Tenure	Mortgage Value	Rent	Income required	Affordable on average incomes? (i.e. £39,600)	Affordable on LQ earnings (single earner)? (i.e. £11,609)	Affordable on LQ earnings (2 earners)? (i.e. £23,218)
Market Housing						
NA Median House Price	£418,500	-	£119,571	No	No	No
LA New Build Mean House Price	£344,687	-	£98,482	No	No	No
NA LQ/Entry-level House Price	£363,375	-	£103,821	No	No	No
Average Market Rent	-	£14,484	£48,280	No	No	No
Entry-level Market Rent	-	£12,948	£43,160	No	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£372,000	-	£95,657	No	No	No
Discounted Market Sale (-30%)	£325,500	-	£83,700	No	No	No
Discounted Market Sale (-40%)	£279,000	-	£71,743	No	No	No
Discounted Market Sale (-50%)	£232,500	-	£59,786	No	No	No
Shared Ownership (50%)	£232,500	£5,813	£79,161	No	No	No
Shared Ownership (25%)	£104,625	£8,719	£58,955	No	No	No
Affordable Rented Housing						
Affordable Rent (average)	-	£8,094	£32,377	Yes	No	No
Social Rent (average)	-	£5,639	£22,556	Yes	No	Yes

Source: AECOM Calculations

50. The income required to afford the different tenures is then benchmarked, in Figure 4.2 against the three measurements of household income set out above. These are the average total household income for E02006573 at £39,600 and the lower quartile gross earnings for Chichester for single-earners at £11,609 and dual-earning households at £23,218.
51. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also higher than the average income and substantially higher than the incomes of those on lower quartile household incomes.
52. The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these households will require additional subsidy or may need to spend a larger proportion of their incomes on housing costs.
53. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁸ In the case of Birdham, the figure below suggests that even the most affordable discounted tenures (25% shared ownership and 50% discounted market sale) might not be appropriate to help implement this policy goal locally.

¹⁸ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

54. Table 4-5 shows that households with incomes between £43,160 and £103,821 are able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. With regard to these products and the discounts required, the following observations can be made:
- The discount on the average market sale price required to enable households on average incomes to afford to buy is 67%. The Government's latest proposals for First Homes allow discounts of up to 50% on the price of a new home. If a 50% discount can be achieved in this area this would extend home ownership to some extent but would not enough to reach households on average incomes in Birdham.
 - Whether discounted market sale is affordable will depend on whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock.
 - Shared ownership (25%) and discounted market sale (-50%) would extend homeownership to the widest group, although these discounts and schemes would not be sufficient for households on average incomes.
 - Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.¹⁹ This cost excludes any land value or developer profit.
 - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Birdham, a 30% discount on average prices would not be sufficient to extend home ownership to households on average incomes.
 - Rent to Buy allows households to access discounted market rents whilst saving for a deposit. The household then has the option to purchase their property within a defined period of time. The income required to access Rent to Buy is the same as that required to afford market rents and households are then expected to save the difference between the market rent and the discounted rent to build up a deposit. The income required to access market rents (and therefore Rent to Buy) is £48,280, which makes this option one of the more affordable routes to home ownership even though it remains a little out of reach of households on average income.
 - Although the NP and the neighbourhood group have limited influence over the level of discount achieved on market sale properties, the Government's latest proposals for First Homes suggest that higher discounts (of 40-50% off the market price) can be justified with evidence. This HNA, alongside evidence developed by the LPA, Chichester Council, could therefore play a role in developing local policies on the nature of affordable home ownership, particularly the discounts sought through the First Homes product. .
55. Table 4-6 below shows what discounts are required in order for properties to be affordable to households on average incomes. A discount of 67% would be required for new homes to be affordable to households on average incomes. This is substantially higher than the 30% discount envisaged in the First Homes product. It is highly unlikely that new homes will be built with a discount of 67% on entry level sale prices.
56. The latest Government consultation proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion.

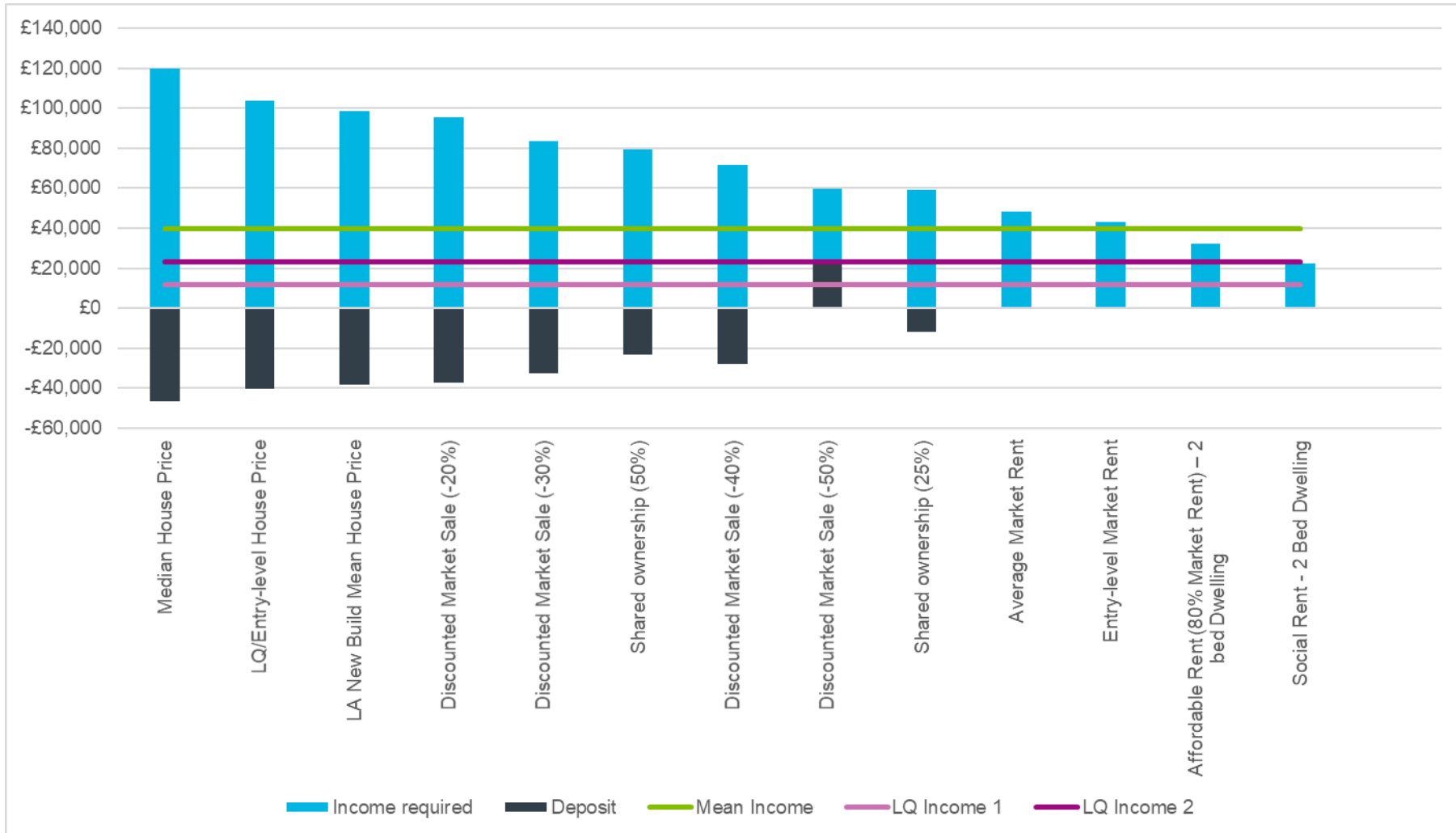
Table 4-6: % Discount on Sale Price Required for Households on Mean Incomes to Afford

Mean household income in NA:	£39,600
Tenure/ product:	Discount on sale price required:
- <i>Market sale (Average)</i>	67%
- <i>New build market sale (Average for LA)</i>	60%
- <i>Entry level sale (LQ)</i>	62%

Source: Land Registry PPD; ONS MSOA total household income

¹⁹ This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

Figure 4.2: Affordability thresholds in Birdham (income required, £)



Source: AECOM Calculations

4.5 Affordable housing – quantity needed

57. The starting point for understanding the need for affordable housing in Birdham is the relevant Strategic Housing Market Assessment/ Local Housing Need Assessment (SHMA/LHNA). Chichester Housing and Economic Development Needs Assessment (HEDNA), was published in August 2018. The evidence from the Chichester HEDNA was reviewed as part of this HNA.
58. 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 HEDNA identifies the need for 285 additional affordable homes per annum across Chichester for the 2016-36 period²⁰. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
59. When the HEDNA figures are pro-rated to Birdham based on its fair share of the population (1.30% of the LPA’s population), this equates to 4 homes per annum (predominately for social/affordable rent) or 56 homes over the Neighbourhood Plan period 2020-2035.
60. However, pro-rating District level estimates of affordable housing need to rural areas presents 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 Birdham the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Birdham.
61. As a sense-check exercise, an additional calculation is undertaken to estimate the number of dwellings needed for affordable rent in Birdham. This uses more locally specific data in comparison to the HEDNA, although it is simplified in approach.
62. This result is an estimated annual need of 3 affordable rented dwellings, or 43 dwellings over the Plan Period (2.85 x 15), which confirms the scale of need calculated via the HEDNA.
63. The slightly lower figure (3) is taken forward for the rest of this study.

Figure 4-4: Affordable rented calculation

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	7	Households on the housing register with a local connection to Birdham as at 02.09.2020. In line with the HEDNA, to capture need only households in housing need bands A-C are included.
1.2 Per annum	0.5	1.1 divided by the plan period 2020-2035
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	167	MHCLG 2014-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	12.4%	(1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	65	2011 Census (50) + Number of affordable rented homes delivered since 2011 (15)
2.2.2 Number of private renters on housing benefits	14	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	21	2.1 * 2.2
2.4 Per annum	1.4	2.3 divided by plan period 2020-2035

²⁰ The HEDNA calculates an overall need for affordable housing of 5,700 units over the 15 years to 2035 (285 per annum) across Chichester District, if all households in housing need were to be housed in an affordable home.

STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	2	3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall (or surplus) per annum	3	1.2 + 2.4 - 3.2

64. As the Chichester HEDNA does not produce a need figure for affordable home ownership, we turn to our own methodology. Table 4-7 estimates potential demand for affordable home ownership products within Birdham. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. Taking supply and resales into account, this leaves around 2.6 household per annum who may be interested in affordable home ownership (26 over the plan period).

Table 4-7: Estimate of the potential demand for affordable housing for sale in Birdham

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	73	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	20.5%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	15	1.1 x 1.2
1.4 Current need (households)	44	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	2.9	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	104	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	9.1%	1.4 x 3.1/ estimated number of households in 2020 in NA
2.3 Total newly arising need	9.5	2.1 x 2.2
2.4 Total newly arising need per annum	0.7	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	20	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	1	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	2.6	Shortfall = (Step 1.5 + Step 2.4) – 3.2

65. It is important to keep in mind that the households identified in the estimate in Table 4-7 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
66. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent or indeed exceeded if resources permit (e.g. the ability to allocate sites for affordable housing).
67. It is also important to remember that even after the Birdham, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.

68. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

4.5.1 Additional HEDNA findings

- The HEDNA, using the Basic Needs Assessment Model recommended in the PPG, identified an overall need for affordable housing of 5,700 units over the 20-years to 2036 (285 per annum) across Chichester District. The net need is calculated as follow in Table 4-8, which reproduces Table 27 from the HEDNA.

Table 4-8: Estimated level of Affordable Housing Need (2016-36) – Chichester District

	Per annum	2016-36
Current need	27	541
Newly forming households	375	7,505
Existing households falling into need	208	4,153
Total Gross Need	610	12,198
Supply from existing stock	325	6,507
Net Need	285	5,692

Source: Chichester HEDNA 2018 [Housing Register/Census (2011)/CoRe/Projection Modelling and affordability analysis]

- The HEDNA has also examined sub-area housing need based on the lower quartile rental costs in each area, as shown in Table 4-9 below, reproduced from Table 28 of the HEDNA. As set out, the highest net need is located in the Manhood Peninsula, where Birdham is located, although there is also notable need in Chichester City.

Table 4-9: Estimated level of Housing Need per annum by sub-area

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Supply from existing stock	Net Need
Chichester City	9	101	75	185	115	70
East-West Corridor	4	59	28	91	47	43
Manhood Peninsula	6	85	33	124	50	74
Plan Area North	1	30	10	42	15	26
SDNP	7	101	61	169	98	71
Chichester District	27	375	208	610	325	285

Source: Chichester HEDNA 2018 [Housing Register/Census (2011)/CoRe/Projection Modelling and affordability analysis]

- Finally, the HEDNA recommends the following tenure split:
 - Market sale – 65%;
 - Affordable Home Ownership (including Starter Homes and Intermediate) – 10%;
 - Affordable rent – 12.5%; and
 - Social rent – 12.5%

4.5.2 Affordable Housing Policies in Birdham

69. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Birdham. Chichester emerging Local Plan policy in relation to Affordable Housing delivery would require 30% of all new homes on all new residential development to be delivered as Affordable Housing [Policy DM2]. This policy would apply in Birdham.
70. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may threaten the delivery of Affordable Housing on normal development sites during the temporary period in which it applies. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term and warrants the attention of the neighbourhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report.
71. Table 4-11 at the end of this chapter estimates the number of affordable homes likely to come forward based on the overall housing requirement for the NA and the application of affordable housing policies.
72. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Birdham. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Birdham.
- A. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Birdham to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 26 homes over the plan period. Using AECOM's own calculation of affordable rented homes shows 43 of those homes are needed over the plan period. Adding up the demand for affordable home ownership (26) and the need for affordable rented homes (43) creates a total estimated need for affordable housing of 69 homes over the plan period in Birdham.
 - B. **Can Affordable Housing needs be met in full?** The HRF for the NA is 125. This level of housing delivery would not allow affordable housing needs to be met in full. This is because the emerging Local Plan's requirement of 30% Affordable Housing would only deliver 38 dwellings, below AECOM's estimate of a need for 43 affordable/social rented dwellings and the potential demand for 26 units of affordable home ownership. Therefore, the expected delivery is not sufficient to meet expected needs. Affordable/social rented homes are likely to be needed by the most vulnerable households, and as such, it may be beneficial to prioritise affordable/social rent as much as possible.
 - C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, going beyond the 10% threshold in Birdham would prejudice the provision of much needed affordable rented homes (see bullet point A).
 - D. **Emerging policy:** The Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.²¹ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

²¹The original proposals are available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

Note that the latest proposals are not final, and could potentially be subject to further change.

The expected 25% First Homes requirement may have the effect of displacing other products in any given tenure mix and, if so, is supposed to displace other affordable home ownership products in the first instance, starting with those providing the lowest effective discount. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing).

The August 2020 proposals also present options on how the make-up of the tenure mix of the remaining 75% of affordable housing is determined, with one option to maintain as far as possible the affordable rented proportions in the local plan, while a second option would allow greater flexibility. It is unknown at this time which option will be pursued.

- E. **Local Plan policy:** Chichester emerging/adopted Local Plan requires a tenure mix of 70% market housing, 20% rented and 10% intermediate housing (Policy DM2). This corresponds of an Affordable Housing mix of 67% rented and 33% intermediate housing. The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. As the total proportion of affordable home ownership is over 25% in the existing policy, First Homes are unlikely to displace a proportion of affordable rented products but may displace other home ownerships tenures such as shared ownership.
 - F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
 - G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
 - H. **Existing tenure mix in Birdham:** The 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.
 - I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area. [if applicable: Some housing associations may be reluctant to take on small numbers of homes in rural areas because of the extra cost involved in managing this stock. However, there may be specialist providers who are willing to provide this housing and so the delivery of social/affordable rented homes should not be ruled out if it is an objective of the neighbourhood group and supported by the Council.
 - J. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Birdham and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.
73. In Table 4-10 below, two alternative scenarios for the tenure mix of Affordable Housing in Birdham are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
74. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Birdham as identified in the HNA evidence, and also conforms to the target tenure split set out in the Local Plan, with 67% of affordable homes as rented tenures and 33% as routes to ownership.
75. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. While the overall balance between rented and ownership tenures is the same, the breakdown within affordable home ownership is shifted to accommodate the mandate for 25% First Homes.
76. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be generally not affordable to local people in

Birdham, if the Government proposal requiring 25% First Homes does not come forward as currently proposed it is recommended that the neighbourhood planners revert to the other indicative mix as their starting point for policy development in this area.

77. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, shared ownership should be displaced and rent to buy retained as much as possible as it offers an affordable route to home ownership in the NA.
78. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. 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.
79. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (e.g. housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
80. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

Table 4-10: Indicative tenure split (Affordable Housing)

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
Routes to home ownership, of which	33%	33%	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes ²²	6%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	6%	0%	Proposed changes to the model to allow purchases of 10% share ²³ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	21%	8%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which	67%	67%	

²² In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

²³ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area Uncertain whether RPs willing to own/manage stock in this area
Affordable rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area

Source: AECOM calculations

81. Assuming that the Government's proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Birdham to accommodate those with the most acute needs
82. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.).
83. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

4.6 Conclusions – Tenure and Affordability

- Levels of home ownership within the NA are considerably higher than both the national and local averages. In contrast, social rent levels in Birdham are markedly lower compared with Chichester and England. The private rented sector is also below the national and local average. Although shared ownership levels are slightly higher than in the wider geographies, the number of shared ownership properties is small in number.
- Among the most significant changes between 2001 and 2011, shared ownership and social rented levels decreased in the NA, well above the decrease experienced on a national level and in marked contrast with Chichester's overall increase in social rent of 10%. The increase in private renting was significantly lower than the rises seen in Chichester and England.
- Furthermore, a total of 17 additional affordable rented homes and 12 shared ownership homes were delivered between 2011 and 2020. There are currently 15 affordable rented homes with planning permission in the Parish – yet to be built.
- Between 2010 and 2019, mean average house prices, median prices, and lower quartile prices all increased significantly. The mean average price of a property in the NA at the end of 2019 was £791,730; while lower quartile properties were priced at £403,750 on average at the end of 2019.
- All types of houses experienced price increases, with terraced houses experiencing the sharpest price increase and flats the lowest.
- The average total household income in 2018 was £39,600. Chichester's gross LQ weekly earnings for 2018 was approximately £11,609 per year and the income of LQ-earning households with two earners was £23,218.
- The income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also higher than that available to those on average incomes as well as those on lower quartile household incomes.
- The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these households will require additional subsidy.
- Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In Birdham, even the most affordable discounted tenures (25% shared ownership and 50% discounted market sale) would not be affordable to those on average incomes, though they would extend home ownership to some households currently priced out of the market.
- Households with incomes between £43,160 and £103,821 are able to rent in the market but unable to buy. These households may need affordable home ownership options. Shared ownership (25%) and discounted market sale (-50%) would extend homeownership to the widest group, although these discounts and schemes would not be sufficient for households on average incomes. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes which would not be sufficient to extend home ownership to households on average incomes and so much higher discounts would be needed. A discount of 67% would be required for new homes to be affordable to households on average incomes. This is substantially higher than the 30% discount envisaged in the First Homes product. However, the maximum discount allowed under the Government's latest proposals will be 50%. The income required to access Rent to buy (£48,280) is the same as that required to afford market rents which makes this option one of the more affordable routes to home ownership even though it remains just out of reach of households on average income.
- AECOM's calculation of the number of dwellings needed for affordable rent in Birdham resulted in an estimated annual need of 3 affordable rented dwellings each year, or 43 dwellings over the Plan Period (2.85 x 15). As the Chichester HEDNA does not produce a need figure for affordable home ownership, we estimated potential demand for affordable home ownership products within Birdham. This resulted in around 2.6 household per annum who may be interested in affordable home ownership (26 over the plan period).
- The HEDNA, using the Basic Needs Assessment Model recommended in the PPG, identified an overall need for affordable housing of 5,700 units over the 20-years to 2036 (285 per annum) across Chichester District.
- The HEDNA has also examined sub-area housing need based on the lower quartile rental costs in each area. The highest net need is located in the Manhood Peninsula, where Birdham is located, although there is also notable need in Chichester City.

- Finally, the HEDNA recommends the following tenure split:
 - Market sale – 65%;
 - Affordable Home Ownership (including Starter Homes and Intermediate) – 10%;
 - Affordable rent – 12.5%; and
 - Social rent – 12.5%
- Two indicative tenure mixes have been provided for the NA, which could serve as a guideline for the breakdown of Affordable Housing tenures in Birdham based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 67% of affordable homes be provided as rented tenures, and the remaining 33% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 67% of affordable homes be provided as rented tenures, 25% as First Homes and the remainder (8%) as Rent to Buy. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government’s new First Homes affordable home ownership product.

84. Table 4-11 below summarises Birdham position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the precise quantities of affordable housing for rent and sale that would be delivered if the tenure split proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may 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.

85. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government’s proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

Table 4-11: Estimated delivery of Affordable Housing in Birdham

	Step in Calculation	Estimated delivery by tenure (Mix 1 and Mix 2)
A	Housing requirement figure	125
B	Affordable housing quota (%) in LPA’s Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	38
D	Rented % (e.g. social/ affordable rented)	67%
E	Rented number (C x D)	25
F	Affordable Home Ownership % (e.g. First Homes)	33%
G	Affordable Home Ownership number (C x F)	13

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

86. This expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. The policy requirement should be met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) should be explored. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming

forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

87. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

5. RQ 2: Type and Size

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

5.1 Introduction

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

5.2 Existing types and sizes

5.2.1 Background and definitions

90. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
91. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
92. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows²⁴:
 - 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
93. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²⁵ Household spaces make up the individual accommodation units forming part of a shared dwelling.

²⁴ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁵ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

94. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.”²⁶ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

95. The 2011 Census shows that there were 730 households in Birdham, living in 457 detached houses, 114 semi-detached, 92 terraced houses, and 24 flats. Compared with Chichester, Birdham is characterised by a significantly higher percentage of detached houses, and a lower proportion of other types of homes, especially semi-detached houses and purpose-built flats (see Table 5-1 below).

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

Dwelling type		Birdham	Chichester	England
Whole house or bungalow	Detached	62.6%	37.4%	22.4%
	Semi-detached	15.6%	27.3%	31.2%
	Terraced	12.6%	18.4%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	1.8%	12.9%	16.4%
	Parts of a converted or shared house	0.7%	2.2%	3.8%
	In commercial building	0.8%	1.0%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

96. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in Birdham is characterised by a large percentage of dwellings with five rooms or more (i.e. 79.8%), which is slightly higher than the pattern across Chichester (i.e. 71.7%). A significant percentage of Birdham's stock corresponds to very large dwellings, with 29% of homes having eight rooms or more, compared to 19.5% in Chichester. Birdham has a lower percentage of small homes than Chichester, with respectively 20.2% and 28.3% of dwellings having one to four rooms. Both Birdham and Chichester have a low percentage of homes with three or less rooms, with 5.3% and 10.6% respectively.

Table 5-2: Number of rooms per household in Birdham, 2011

Number of Rooms	2011	2011
	Birdham	Chichester
1 Room	0.2%	0.4%
2 Rooms	0.9%	2.0%
3 Rooms	4.2%	8.2%
4 Rooms	14.9%	17.7%
5 Rooms	18.9%	22.1%
6 Rooms	15.7%	18.7%
7 Rooms	16.3%	11.4%
8 Rooms or more	12.1%	8.3%
9 Rooms or more	16.9%	11.3%

Source: ONS 2011, AECOM Calculations

²⁶ Ibid.

97. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings in Birdham is the 100% growth in two-room homes; although Chichester and England also experienced an increase in the proportion of two-rooms, this increase was less pronounced (i.e. approximately 32% and 24%, respectively). Another significant change is a 55% increase in the proportion of homes with seven or more rooms. This trend is also found in Chichester and England to a smaller degree, with approximately 37% and 48% increases. In contrast, there was a decrease in the proportion of dwellings with three to six rooms. This change diverges from trends observed in the wider geographies of Chichester and England during this period, especially for the proportion of three-room dwellings, which saw a decrease of approximately 7% in Birdham, and an increase of 23% and 20% in Chichester and England.

Table 5-3: Rates of change in number of rooms per household in Birdham, 2001-2011

Number of Rooms	Birdham	Chichester	England
1 Room	0.0%	-23.2%	-5.2%
2 Rooms	100.0%	31.6%	24.2%
3 Rooms	-6.9%	23.0%	20.4%
4 Rooms	-12.7%	1.6%	3.5%
5 Rooms	-4.7%	-2.5%	-1.8%
6 Rooms	-9.8%	8.7%	2.1%
7 Rooms	40.0%	15.0%	17.9%
8 Rooms or more	14.0%	22.2%	29.8%

Source: ONS 2001-2011, AECOM Calculations

98. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Birdham has fewer one-bedroom dwellings than the wider geographies and a similar low proportion of studio homes (recorded in the Census as having no bedrooms). It also shows that there is a higher proportion of four-bedroom dwellings in the NA (25.4%) as compared to Chichester (17.4%) and England (14.4%). Additionally, there is a slightly lower proportion of two- and three-bedroom dwellings in the NA (60.8%) as compared to Chichester (66%) and England (69.1%), and a slightly higher proportion of five or more-bedroom homes (9.1% against 7% in Chichester and 4.6% in England). Overall, there is a bias towards larger homes in Birdham, with over one third of dwellings in the NA having four or more bedrooms.

Table 5-4: Number of bedrooms in household spaces in Birdham, 2011

Bedrooms	Birdham		Chichester		England	
All categories: no. of bedrooms	645	100.0%	49,848	100.0%	22,063,368	100.0%
No bedrooms	2	0.3%	69	0.1%	54,938	0.2%
1 bedroom	28	4.3%	4,707	9.4%	2,593,893	11.8%
2 bedrooms	163	25.3%	13,954	28.0%	6,145,083	27.9%
3 bedrooms	229	35.5%	18,945	38.0%	9,088,213	41.2%
4 bedrooms	164	25.4%	8,686	17.4%	3,166,531	14.4%
5 or more bedrooms	59	9.1%	3,487	7.0%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

5.3 HEDNA findings

99. Key findings in relation to type and size in the HEDNA are as follow:

- Household growth was estimated around 10,800 between 2016 and 2036 across the District (if a vacancy allowance - of 7.2% based on Council Tax data – is applied to this figure then the estimated housing need is for some 580 dwellings per annum.

- The housing mix is currently dominated by detached and semi-detached homes: 84% houses (38% detached; 28% semi-detached; 18% terraced houses) and 16% of flats. In the Manhood Peninsula area, the mix is broadly similar with 48% of detached houses, 27% semi-detached, 13% terraced and 12% flats.
- In terms of number of bedrooms, three-beds are the most common size in Chichester, followed by two-beds. In the Manhood Peninsula, the following mix of sizes was found: 40% three-beds, 30% two-beds, 18% four-beds, 7% one-beds and 5% five-beds.
- In relation to market housing, an increase of 7,000 households was modelled based on official projections, the majority of which will be in need of two- and three-bed homes, but with a shift towards a requirement for smaller dwellings relative to the distribution of existing housing (particularly towards a need for two-beds).
- The estimated size of dwellings required from 2016 to 2036 in Chichester are presented in the figure below:

Estimated Size of Dwellings Needed 2016 to 2036 – Market Housing – Chichester District (CLG household projections (+MYE))

Size	2016	2036	Additional households 2016-2036	% of additional households
1 bedroom	1,348	1,694	346	4.9%
2 bedrooms	8,247	10,212	1,964	27.9%
3 bedrooms	14,947	17,895	2,949	41.9%
4+ bedrooms	11,343	13,120	1,777	25.3%
Total	35,885	42,921	7,036	100.0%

Source: Chichester SHMA 2018, page 152

- Results per area are illustrated in the figure below. For Manhood Peninsula the estimated size mix of dwellings broadly corresponds to that of Chichester, i.e. 4% one-beds, 29% two-beds, 41% three-beds and 30% four- and more-beds.

Estimated size mix of dwellings by sub-area – market housing (CLG household projections (+MYE))

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
East-West Corridor	5%	27%	42%	26%
SDNP	5%	26%	41%	28%
Chichester City	6%	29%	43%	21%
Manhood Peninsula	4%	29%	42%	24%
Plan Area North	4%	25%	41%	30%
Chichester District	5%	28%	42%	25%

Source: Chichester SHMA 2018, page 152

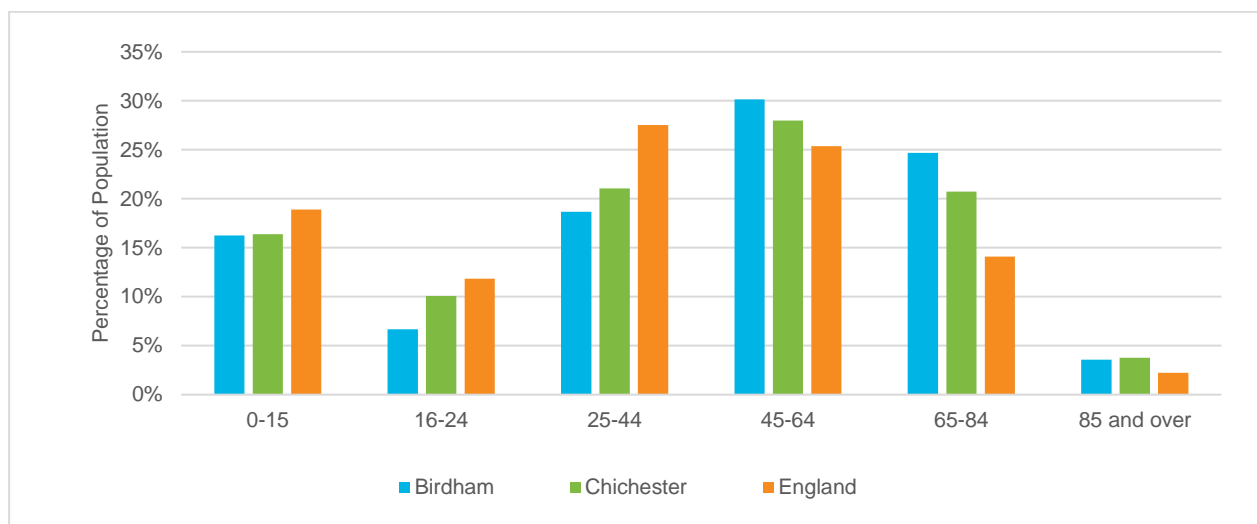
5.4 Household composition and age structure

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

5.4.1 Age structure

101. The 2011 Census data reveals that Birdham has a higher number of people between the ages 45-84 than the wider geographies, and a lower percentage of people between the ages 16-44 (see Figure 5.1 below). Birdham’s population over the age of 85 is similar to that of Chichester and higher than that of England. In addition, given that a high percentage of the population in Birdham is within the 65-84 age group, there is a large cohort of people in this age group likely to enter the oldest age group during the Plan period (or that have already done so since the last Census). Although there is a reasonable percentage of younger people in the 0-15 age band (16%), there is a much higher proportion of people in the 45-64 and 65-84 age groups (30% and 25%). Based on the data below, it can be said that Birdham has an ageing population, a trend that is expected to be reinforced going forward.

Figure 5.1: Age structure in Birdham, 2011



Source: ONS 2011, AECOM Calculations

102. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the NA population has expanded in all but two categories: 14-24 and 25-44 (see Table 5-5 below). The largest increases have been in the 0-15 and 85 and over age groups. The increase in the 0-15 category is significantly higher than is seen in the wider geographies and suggests Birdham is a relatively popular location for families with young children. However, as Figure 5.1 above shows, the resulting percentage of younger people in the NA matches that of Chichester and is below the England average. Although the increase in the 85 and over age group is comparatively lower than in Chichester and England, the rise in the percentage of people in the 45-64 and 65-84 age groups indicates that the NA has an ageing population.

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

Age group	Birdham	Chichester	England
0-15	10.6%	-1.4%	1.2%
16-24	-6.6%	15.7%	17.2%
25-44	-0.7%	-3.9%	1.4%
45-64	9.6%	12.9%	15.2%
65-84	7.3%	12.4%	9.1%
85 and over	10.4%	21.9%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.4.2 Household composition

103. Household composition (i.e. the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

104. In assessing Census data on household composition, we see that Birdham differs from the LA in that the percentage of households whose members are all aged 65 and over is higher, as well as the percentage of couples with no children (Table 5-6). In contrast, the percentage of single people households is lower than in the wider geographies, especially for people aged 64 or less. The percentage of families with dependent and non-dependent children follows broadly the same pattern as in Chichester and England, although the percentage is slightly lower in the NA, especially compared with England. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-6: Household composition (by household), Birdham, 2011

Household composition		Birdham	Chichester	England
One person household	Total	25.7%	32.0%	30.2%
	Aged 65 and over	17.5%	17.3%	12.4%
	Other	8.2%	14.7%	17.9%
One family only	Total	68.5%	61.8%	61.8%
	All aged 65 and over	17.1%	12.6%	8.1%
	With no children	21.9%	19.1%	17.6%
	With dependent children	21.6%	22.1%	26.5%
	All children Non-Dependent ²⁷	8.1%	8.1%	9.6%
Other household types	Total	5.7%	6.2%	8.0%

Source: ONS 2011, AECOM Calculations

105. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. As Table 5-7 shows, between 2001 and 2011, one of the main changes in household composition was an increase in the percentage of households with non-dependent children (36.8%), a rise considerably higher compared with the wider geographies (13.8% in Chichester and 10.6% in England). Although this increase is significant, Table 5-6 above indicates that the proportion of households with non-dependent children resulting from this change matches that of Chichester and is below the England average. Another important change during this period is a 13.9% increase in the proportion of families with dependent children, a rise that is well above the increase experienced by Chichester (4.1%) and England (5%). This increase is in accordance with the rise in the percentage of people aged 0-15 (see Table 5-5). However, as Figure 5.1 shows, the resulting percentage of people in the 0-15 age band in Birdham is the same as in Chichester and is below England. Lastly, although Birdham experienced an overall decrease of the proportion of single people households, the percentage of single people households aged 65 and over increased by 7.6%, a figure in stark contrast with the 1.2% rise in Chichester and a reduction by 7.3% in England.

²⁷ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

Table 5-7: Rates of change in household composition, Birdham, 2001-2011

Household type		Percentage change, 2001-2011		
		Birdham	Chichester	England
One person household	Total	-1.2%	15.6%	8.4%
	Aged 65 and over	7.6%	1.2%	-7.3%
	Other	-15.9%	38.8%	22.7%
One family only	Total	6.3%	4.9%	5.4%
	All aged 65 and over	-11.3%	-1.6%	-2.0%
	With no children	6.8%	7.1%	7.1%
	With dependent children	13.9%	4.1%	5.0%
	All children non-dependent	36.8%	13.8%	10.6%
Other household types	Total	8.8%	17.1%	28.9%

Source: ONS 2001-2011, AECOM Calculations

5.5 Dwelling mix determined by life-stage modelling

106. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
107. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
108. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LA-level data needs to be used as the closest proxy.
109. Figure 5.2 below sets out the relationship in the 2011 Census at LA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that three-bedroom homes were the most common dwelling size, preferred by eleven of the fourteen age bands considered here – being the most common option for those between the ages 25-29 and 35-84. Homes with six or more bedrooms are the least common across all age bands, while five-bedroom homes are similarly uncommon. The second most common size of home is the two-bed, especially on either ends of the age ranges, and particularly for the 25-29 and 85 and over age groups. Following a similar pattern, one-bedroom homes are more common in the 16-34 and 85 and over age bands – the youngest and oldest households. Four-bedroom homes are common across most age groups, peaking in the 40-64 categories.

Figure 5.2: Age of household reference person by dwelling size in Birdham, 2011



Source: ONS 2011, AECOM Calculations

110. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the Local Authority level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2035 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-8 below.

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,304	4,250	16,818	9,306	18,170
2014	1,167	4,224	16,509	8,915	20,041
2035	1,266	4,294	16,774	9,702	29,721
2039	1,284	4,307	16,825	9,852	31,565

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

111. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in Birdham. To do so, the percentage increase expected for each group across Chichester, derived from the data presented above was mapped to the population of Birdham. The results of this calculation are detailed in Table 5-9 below:

Table 5-9: Projected distribution of households by age of HRP, Birdham

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	6	31	207	127	274
2014	5	31	203	122	302
2035	6	31	206	132	448
% change 2014-2035	8.4%	1.6%	1.6%	8.8%	48.3%

Source: AECOM Calculations

112. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5.2, and the approximate number of households in Chichester and Birdham falling into each of these

stages by the end of the Plan period in 2035, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-10 below).

113. The table takes in turn each projected age group in 2035, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-10: Likely dwelling size distribution in Birdham by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Households 2035	6	31	206	132	448	-
1 bedroom	1	5	15	9	46	77
2 bedrooms	2	14	47	30	139	232
3 bedrooms	1	10	83	54	171	318
4 bedrooms	1	2	43	27	69	142
5+ bedrooms	1	1	19	12	23	55

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

114. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-10 above modelling the change in the age structure of the population in Birdham.
115. Table 5-11 below indicates that, by 2035, the size distribution of dwellings should focus on providing more two- and three-bedroom homes, as well as four-bedroom homes, although to a lesser extent.

Table 5-11: 2011 housing sizes compared to likely distribution at end of Plan period, Birdham

Number of bedrooms	2011		2035	
1 bedroom	28	4.3%	77	9.3%
2 bedrooms	163	25.3%	232	28.2%
3 bedrooms	229	35.5%	318	38.6%
4 bedrooms	164	25.4%	142	17.2%
5 or more bedrooms	59	9.1%	55	6.6%
Total households	645	100.0%	824	100.0%

Source: Census 2011, AECOM Calculations

116. Table 5-12 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 5-12: Future potential misalignments of supply and demand for housing, Birdham

Number of bedrooms	2011	2035	Change to housing mix	Recommended split
1 bedroom	28	77	49	23.6%
2 bedrooms	163	232	69	33.4%
3 bedrooms	229	318	89	43.0%
4 bedrooms	164	142	-22	0.0%
5 or more bedrooms	59	55	-4	0.0%

Source: AECOM Calculations

117. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 43% as three bedrooms, 33.4% as two bedrooms, 23.6% as one-bedroom, and no further dwellings for larger homes. These results reflect the growth of families with children and the relatively low proportion of one-bedroom homes in the NA at present, as well as the likely need for one-beds in the future due to the growth of smaller households.
118. Note that the changes to the housing mix given above for four- and five-or-more-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with four and five or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the results of the life-stage modelling suggest that there will be no need for further four- and five-or-more-bedroom dwellings over the Neighbourhood Plan period based on demographic change. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
119. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.6 Conclusions- Type and Size

120. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
121. The 2011 Census shows that there were 730 households in Birdham, living in 457 detached houses, 114 semi-detached, 92 terraced houses, and 24 flats. Compared with Chichester, Birdham is characterised by a significantly higher percentage of detached houses, and a lower proportion of other types of homes, especially semi-detached houses and purpose-built flats or tenements.
122. The housing stock in Birdham is characterised by a large percentage of dwellings with five rooms or more (i.e. 79.8%), which is slightly higher than the pattern across Chichester (i.e. 71.7%). A significant percentage of Birdham's stock corresponds to very large dwellings, with 29% of homes having eight rooms or more, compared to 19.5% in Chichester. Birdham has a lower percentage of small homes than Chichester, with respectively 20.2% and 28.3% of dwellings having one to four rooms. Both Birdham and Chichester have a low percentage of homes with three or less rooms, with 5.3% and 10.6% respectively.
123. The HEDNA estimated the size mix of dwellings in Chichester District by 2036 as follows: 42% three-beds, 28% two-beds, 25% four-and-more-beds, and 5% one-beds. For the Manhood Peninsula, the HEDNA's estimates are similar, with 42% of three-beds, 29% two-beds, 24% four-and-more-beds, and 4% one-beds.
124. In terms of demographics, 2011 Census data reveals that Birdham has a higher number of people between the ages 45-84 than the wider geographies, and a lower percentage of people between the ages 16-44. Birdham's population over the age of 85 is similar than that of Chichester and higher than that of England. In addition, given that a high percentage of the population in Birdham is within the 65-84 age group, there is a large cohort of people in this age group likely to enter retirement age during the Plan period (or that have already done so since the last Census). Although there is a considerable percentage of younger people in the 0-15 age band (16%), there is a much higher proportion of people in the 45-64 and 65-84 age groups (30% and 25%).
125. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has expanded in all but two categories: 14-24 and 25-44. The largest increases have been in the 0-15 and 85 and over age groups. The increase in the 0-15 category is significantly higher than is seen in the wider geographies. However, the resulting percentage of younger people in the NA matches that of Chichester and is below the England average. Although the increase in the 85 and over age group is comparatively lower than in Chichester and

England, the rise in the percentage of people in the 45-64 and 65-84 age groups indicates that the NA has an aging population.

126. In terms of household composition, Birdham differs from the LA in that the percentage of households whose members are all aged 65 and over is higher, as well as the percentage of couples with no children. In contrast, the percentage of single people households is lower than in the wider geographies, especially for people aged 64 or less. The percentage of families with dependent and non-dependent children follows broadly the same pattern as in Chichester and England, although the percentage is slightly lower in the NA, especially compared with England.
127. Between 2001 and 2011, the main changes in household composition were: (i) an increase in the percentage of households with non-dependent children (36.8%), (ii) a 13.9% increase in the proportion of families with dependent children, and (iii) an increase in the percentage of single people households aged 65 and over (7.6%).
128. The result of the HNA modelling suggests that by 2035, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority (43%). The NA should also increase the supply of two- and one-bedroom dwellings with limited priority on the provision of four-and-more beds. These results are driven by demographic change and current occupancy patterns and then compared to the existing stock. However, there may be good reasons to provide large sized (four-and-more-bed) properties, e.g. to offer attractive upsizing opportunities for families with children.
129. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some two- and three-bedroom dwellings. The provision of these homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for one- and four-or-more bedroom homes and the local implications of this.

6. Conclusions

6.1 Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	AECOM's calculation of the number of dwellings needed for affordable rent in Birdham resulted in an estimated annual need of 3 affordable rented dwellings, or 43 dwellings over the Plan Period (2.85 x 15). As the Chichester HEDNA does not produce a need figure for affordable home ownership, we estimated potential demand for affordable home ownership products within Birdham. This resulted in around 2.6 household per annum who may be interested in affordable home ownership (26 over the plan period).	This expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. The policy requirement should be met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) should be explored. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>Levels of home ownership within the NA are higher than both the national and local averages. In contrast, social rent levels in Birdham are markedly lower compared with Chichester and England. The private rented sector is also below the national and local average. Although shared ownership levels are slightly higher than in the wider geographies, they are still relatively low.</p> <p>Between 2010 and 2019, mean average house prices, median prices, and lower quartile prices all increased significantly. The mean average price of a property in the NA at the end of 2019 was £791,730; while lower quartile properties were priced at £403,750 on average at the end of 2019.</p> <p>The average total household income in 2018 was £39,600. Chichester’s gross LQ weekly earnings for 2018 was approximately £11,609 per year and the income of LQ-earning households with two earners was £23,218.</p> <p>Households with incomes between £43,160 and £103,821 are able to rent in the market but unable to buy. These households may need affordable home ownership options.</p>	<p>The income required to buy an average market home and entry-level home for sale is unattainable to those on average household incomes and below.</p> <p>The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these households will require additional subsidy</p> <p>In Birdham, even the most affordable discounted tenures (25% shared ownership and 50% discounted market sale) would not be sufficient to help those on modest incomes unable to afford market housing for purchase, though they would extend home ownership to some households currently priced out of the market.</p> <p>The Government’s proposed First Homes product would provide a minimum discount of 30% on new homes which would not be sufficient to extend home ownership to households on average incomes.</p> <p>Rent to buy is one of the more affordable routes to home ownership even though it remains just out of reach of households on average income.</p> <p>A discount of 67% would be required for new homes to be affordable to households on average incomes which substantially higher than the 30% discount envisaged in the First Homes product, though the Government’s latest proposals would allow discounts of up to 50%.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>The 2011 Census shows that there were 730 households in Birdham, living in 457 detached houses, 114 semi-detached, 92 terraced houses, and 24 flats. Compared with Chichester, Birdham is characterised by a significantly higher percentage of detached houses, and a lower proportion of other types of homes, especially semi-detached houses and purpose-built flats or tenements.</p> <p>The housing stock in Birdham is characterised by a large percentage of dwellings with five rooms or more, which is slightly higher than the pattern across Chichester. A significant percentage of Birdham’s stock corresponds to very large dwellings (eight rooms or more). Birdham has a lower percentage of one- to four-bedroom homes than Chichester. Both Birdham and Chichester have a low percentage of homes with three or less rooms.</p> <p>In terms of demographics, 2011 Census data reveals that Birdham has a higher number of people between the ages 45-84 than the wider geographies, and a lower percentage of people in the working age population (16-44). Birdham’s population over the age of 85 is similar than that of Chichester and higher than that of England. In addition, given that a high percentage of the population in Birdham is within the 65-84 age group, there is a large cohort of people in this age group likely to enter retirement age during the Plan period (or that have already done so since the last Census).</p>	<p>The result of the HNA modelling suggests that by 2035, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority. The NA could also increase the supply of two- and one-bedroom homes.</p> <p>This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some two- and three-bedroom dwellings. The provision of these homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for one- and four-or-more bedroom homes.</p>

6.2 Recommendations for next steps

132. This Neighbourhood Plan housing needs assessment aims to provide Birdham 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 Chichester with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Chichester – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;

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

133. 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.

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

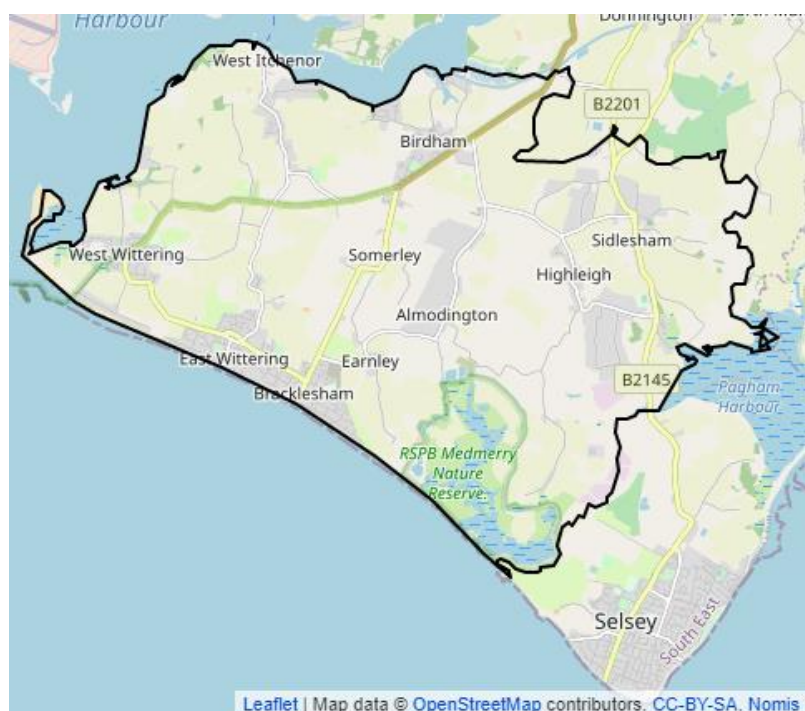
135. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

136. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
137. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Birdham, it is considered that MSOA E02006573 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02006573 appears below in Figure 6.1.

Figure 6.1: MSOA E02006573 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

138. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
139. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
140. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
141. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

142. 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.
143. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Birdham. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
144. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.²⁸ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2019.
145. The calculation is therefore:
- Value of an 'entry level dwelling' = £403,750;
 - Purchase deposit = £40,375 @ 10% of value;
 - Value of dwelling for mortgage purposes = £363,375;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £103,821.**

ii) Private Rented Sector (PRS)

146. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.
147. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,²⁹ such a home would require three habitable rooms (a flat or house with two bedrooms).
148. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the PO20 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
149. According to home.co.uk, there are 25 two-bed properties currently listed for rent across PO20, with an average price of 1,207 per calendar month.
150. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £1,207 x 12 = £14,484;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £48,280;
 - **Income threshold (private rental sector) = £48,280.**
151. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

²⁸ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

²⁹ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

A.3 Affordable Housing

152. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.
153. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
154. We consider each of the affordable housing tenures in turn.

i) Social rent

155. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
156. 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 Birdham. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Chichester in the table below.
157. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£125.13	£150.47	£177.85	£211.25	£155.66
Annual average	£6,507	£7,824	£9,248	£10,985	£8,094
Income needed	£26,027	£31,298	£36,993	£43,940	£32,377

Source: Homes England, AECOM Calculations

ii) Affordable rent

158. 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). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. 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%.
159. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Chichester (above). Again it is assumed that no more than 30% of income should be spent on rent.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£125.13	£150.47	£177.85	£211.25	£155.66
Annual average	£6,507	£7,824	£9,248	£10,985	£8,094
Income needed	£26,027	£31,298	£36,993	£43,940	£32,377

Source: Homes England, AECOM Calculations

iii) Intermediate tenures

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

Discounted Market Homes

161. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”. The most recent proposals for ‘Changes to the current planning system’ suggest 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% requirement referenced above may be replaced by the First Homes requirement.

162. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.

163. Applying a discount of 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £325,500 (30% discount on median average prices of £465,000). Allowing for a 10% deposit further reduces the value of the property to £292,950. The income threshold at a loan to income ratio of 3.5 is £83,700.

164. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 30% they may not offer any discount on entry level prices.

165. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted home. This would require an income threshold of £71,743 and £59,786 respectively.

Shared ownership

166. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.

167. 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.

168. To determine the affordability of shared ownership, calculations are based on the median house price of £465,000.³⁰ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

169. A 25% equity share of £465,000 is £116,250, from which a 10% deposit of £11,625 is deducted. The mortgage value of £104,625 (£116,250 - £11,625) is then divided by 3.5. To secure a mortgage of £104,625, an annual income of £29,893 (£104,625/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £348,750. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £8,719 and requires an income of £29,062 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£58,955** (£29,893 + £29,062) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £79,161 and £99,366 respectively.

³⁰ It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods³¹.

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.

³¹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard³²

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³³

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)³⁴

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

³² See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³³ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁴ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

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 years³⁵, 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.

³⁵ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁶

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

Strategic Housing Land Availability Assessment

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

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

³⁶ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.³⁷

³⁷ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

