

The Hoe
Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
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
PCC	Plymouth City Council
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. The Hoe is a Neighbourhood Plan area located in the Plymouth local authority in the South West of England. The Neighbourhood Area (NA) lies within the ward of St. Peter and the Waterfront.

2. The Hoe is unique area. Whilst it is a residential area, a place where some people live, it is primarily Plymouth's iconic public facing attraction and as such is a place for visitors and hospitality, events and municipal occasions. The evidence in this report needs to be viewed in this context. Whilst this HNA focuses on housing issues in the neighbourhood area, the Hoe functions within a larger housing market area and has economic and cultural relationships with Plymouth and the wider region.

1.1 Tenure Split and Affordability

3. The majority of households on the Hoe live in the private rented sector (53.3%). This proportion is higher than Plymouth (20.2%) and England (16.8%) as a whole. The proportion of residents that own their own homes is relatively low—only 29.6% of people own their own homes, which is lower than both district (58.7%) and national (63.3%) proportions. Furthermore, 15.8% of households live in socially rented houses, as compared to 19.3% in Plymouth and 17.7% in England. Just 0.2% of households live in shared ownership homes.

4. Looking purely at the current balance between tenures on the Hoe, there appears to be scope to diversify the housing offer away from private renting towards greater provision of both social/affordable rent and, to a greater degree, home ownership. Affordability is a challenge on the Hoe, with entry level house prices unaffordable to households on average incomes. Affordable routes to home ownership might widen the housing offer and provide a steppingstone to home ownership.

5. In terms of house prices, prices on the Hoe have declined over the last 10 years. Although mean average house prices increased by 11% over the period, median average prices decreased by 11%. Lower quartile prices declined by 3% over the period which might suggest relatively lower demand pressure for smaller dwellings. The price of an average (mean) property in the NA was £157,134 at the end of 2019. At the end of 2019, a lower quartile (entry level) property was priced at £114,500. Compared to other areas of the country and specifically attractive coastal areas, house prices on the Hoe are relatively low. They are likely to have been attractive to second home owners and investors and boosted the number of holiday homes and lets within the area. Anecdotally, the group report that this has affected the availability of rental homes for permanent residents, because the returns on holiday lets are higher.

6. It is relevant to note that average prices on the Hoe are low in comparison to other areas of the country. Potential second home owners and investors are likely to see these prices as attractive for investment in a holiday let and reinforces the area as a location for short term rentals such as these.

7. A report prepared by Colliers (2019) shows that Plymouth experienced significant growth in the Air BnB market from 2014 onwards. Between 2010-2018, the rate of supply grew at an annual growth rate of 74% and there were 946 active rentals in 2018. The report further states that much of Plymouth's Air BnB supply is similarly close to the NA. Furthermore, the report found the Hoe to be a popular destination for tourists travelling to Plymouth, indicating that demand for Air BnBs is likely to grow. Based on the findings of this report and Air DNA data, our analysis suggests there is a large number of Air BnBs in the NA.

8. The income required to buy an entry-level market home for sale (£29,443) is higher than that available to households on average incomes, as well as to those on lower quartile household earnings (£15,054), unless two household members may be earning. Entry level market rents require households to have incomes of around £34,464. Market renting is thus inaccessible to those on average incomes as well as to lower quartile income households, even where two members might be earning.

9. Affordable home ownership products would be affordable to those on average incomes. However, The Hoe is unusual because the cost of home ownership (entry level prices) is similar to the cost of private rents. This calls into question the value of affordable home ownership products in this area. Typically, these products are aimed at households who can afford to rent in the market but cannot afford to access home ownership. Their purpose is to extend home ownership to households who cannot afford to buy. However, the affordability of home ownership in the area is likely to be skewed by the high proportion of small properties, which may not be suitable for those households wanting to buy (eg families). There may also be a contingent

of people in affordable housing who cannot afford to buy or rent on the open market, but who could afford affordable home ownership products if sufficient discounts are available.

10. It is estimated that there will be need for 39 units of affordable rented housing and 358 units of affordable housing for sale on the Hoe over the Plan period. The difference in scale of these two estimates reflects the fact that the estimate of need for affordable home ownership is based, to a significant extent, on the size of the private rented sector. As the PRS is large on the Hoe, this creates a pool of substantial potential demand for affordable home ownership homes. Since the expected total quantity of Affordable Housing that can be delivered (based on 140 homes allocated on the Hoe and Plymouth's affordable housing policies) is only just sufficient to deliver the number of affordable rented homes likely to be need, it is recommended that the more urgent needs of those requiring affordable rented housing should be prioritised.

11. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in the Hoe based on the evidence other considerations. Mix 1 (indicative mix based on local needs) proposes that 33% of affordable homes be provided as rented tenures, and the remaining 67% delivered as affordable routes to home ownership. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 8% of affordable homes be provided as shared ownership, with the remaining 25% as First Homes. 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.

1.2 Type and Size

12. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is required for The Hoe 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 Local Planning Authority strategies) and site-specific factors which may justify a particular dwelling mix.

13. In terms of existing stock of housing, the data shows that The Hoe area has a large percentage of flats—more than double than that of Plymouth and England. Much of the large terraced housing in the area has been converted into smaller flats. However, the percentage of both semi-detached and terraced houses is much lower than both the comparator geographies, and the near total absence of detached housing is a key area of divergence.

14. The housing stock on the Hoe is characterised by generally smaller dwellings than that of Plymouth, with only 5.4% of homes having seven or more rooms, compared with 17.6% in Plymouth. The Hoe area has a total of 91.4% flats, compared to only 21.8% in Plymouth. This is common in urban areas where smaller properties meet demand from younger households.

15. Linked to the large number of flats, 87.7% of all dwellings on the Hoe have one or two bedrooms—this is the most common type of dwelling in the neighborhood plan area. As per the 2011 Census, only 37 dwellings had 5 bedrooms or more, while 1,336 dwellings had either one or two bedrooms.

16. When looking at the homes delivered between 2001 and 2011, The Hoe area's size mix fluctuations indicate a steady trend—three and four room dwellings appeared to be on the rise, whereas larger homes steadily declined.

17. In terms of demographics, The Hoe area has a significantly higher percentage of people aged 25-44 than both wider geographies, and a lower percentage of people aged 0-15. While The Hoe area's proportion of those aged 65-84 and 85 and over is only marginally greater than wider Plymouth, there is a large cohort of people in the age group likely to enter retirement age over the Plan period (or to have already done so since the last Census). While The Hoe area may not have experienced an ageing of the population to the same extent as Plymouth and England in recent years, that trend can be expected to accelerate going forward.

18. In terms of household composition, The Hoe's population saw a significant demographic change in the form of a declining percentage of people aged 65 and over—one person households aged 65+ declined by 23.7% whilst family households (couples aged 65+) decreased by 9.8%. The Hoe area's population of other household types (such as multi-family and shared households) increased by nearly 65.4%, which is much faster than in the district and England. These households are often students sharing or younger households willing to share larger properties (eg houses in multiple occupation).

19. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The data shows that three-bedroom dwellings seem to be most common dwelling size for 11 of the 14 age bands considered—being the most popular for residents between the ages of 35 and 64. This data, compounded with information regarding an aging population, predicts the need for more three-bedroom housing. The modelling exercises suggest the need to prioritise larger eg three-bedrooms, with less emphasis on one- and two-bedroom homes.

20. However, it is important to keep in mind that the Hoe neighbourhood sits within a wider Plymouth housing market area. The neighbourhood group will need to consider whether the case for widening the choice of homes locally, eg by providing larger homes to suit family type households, can be balanced against wider housing market objectives.

1.3 Specialist Housing for the Older People

21. As per the 2011 Census, 72.8% of households aged 55-75 owned their own homes, while 27.2% rented their homes. In terms of ownership options, a larger percentage of residents (50%) owned their homes outright. The most common tenure option for those renting their homes was social rent. These households can be expected to want to continue living in the same tenure they currently occupy if they are to require specialist housing in older age.

22. By extrapolating from the ONS Sub-National Population Projections for Plymouth at the end of the Plan period, we determined the percentage of older people within the population of The Hoe area in 2034. At 16.3%, this is higher than the percentage for Plymouth, indicating The Hoe area's aging population would likely require specialist accommodation in the future.

23. The evidence in this report suggested there could be a need for between 24 and 39 specialist homes for older people who need housing with care and support. These are necessarily estimates and do not take account of any local policies and strategies eg to support people within their own homes. Nevertheless, the ageing of the population and likelihood that a substantial proportion of households will need support or care in advanced old age means that these housing needs should be considered. It is relevant to note that an extra care facility is under construction just outside of the Hoe and will provide 80 apartments. This would appear to meet the estimated needs of the Hoe, if local residents can access this housing, though the facility is likely to serve a wider catchment within Plymouth as well.

2. Context

2.1 Local context

1. The Hoe is a Neighbourhood Plan area located in the Plymouth local authority in the South West of England. The Neighbourhood Area (NA) lies within the ward of St. Peter and the Waterfront.

2. The Hoe is unique area. Whilst it is a residential area, a place where some people live, it is primarily Plymouth's iconic public facing attraction and as such is a place for visitors and hospitality, events and municipal occasions. The evidence in this report needs to be viewed in this context. Whilst this HNA focuses on housing issues in the neighbourhood area, the Hoe functions within a larger housing market area and has economic and cultural relationships with Plymouth and the wider region.

3. The Neighbourhood Area (NA) boundary was designated as of 10 July 2017, following a six-week consultation which ran between 24 April 2017 and 5 June 2017.

4. A description of the NA boundary is contained within the The Hoe Neighbourhood Forum's 'Final Constitution'[1]:

5. "The Area is in the ward of St Peter and the Waterfront and based on the The Hoe Conservation Area extended:

    - To the west where the boundary is formed by Great Western Road and West Hoe Road;
    - To the north where the boundary are the roads going from the junction of West Hoe Road and Millbay Road, travelling along Millbay Road where opposite the Mount Pleasant it takes the service road behind the New Continental Hotel to join The Crescent at its most northerly point, it then continues along the Crescent to its junction with Princess Way before going down Princess Way to the junction with Princess Street, along Princess Street to its junction with Lockyer Street then north on Lockyer Street to its junction with Notte Street where it continues east to the junction of Notte Street and Hoegate Street;
    - To the east where the boundary is formed by Hoegate Street, Lambhay Hill and Madeira Road; and
    - To the south where the boundary is the foreshore south of Madeira Road, Hoe Road and Grand Parade to its junction with Great Western Road"

6. Given the ward which contains The Hoe area is larger than the NA, a smaller geography than the ward should be investigated for statistical purposes. Thus, we will proceed using smaller statistical units called Output Areas (OAs).

7. 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:

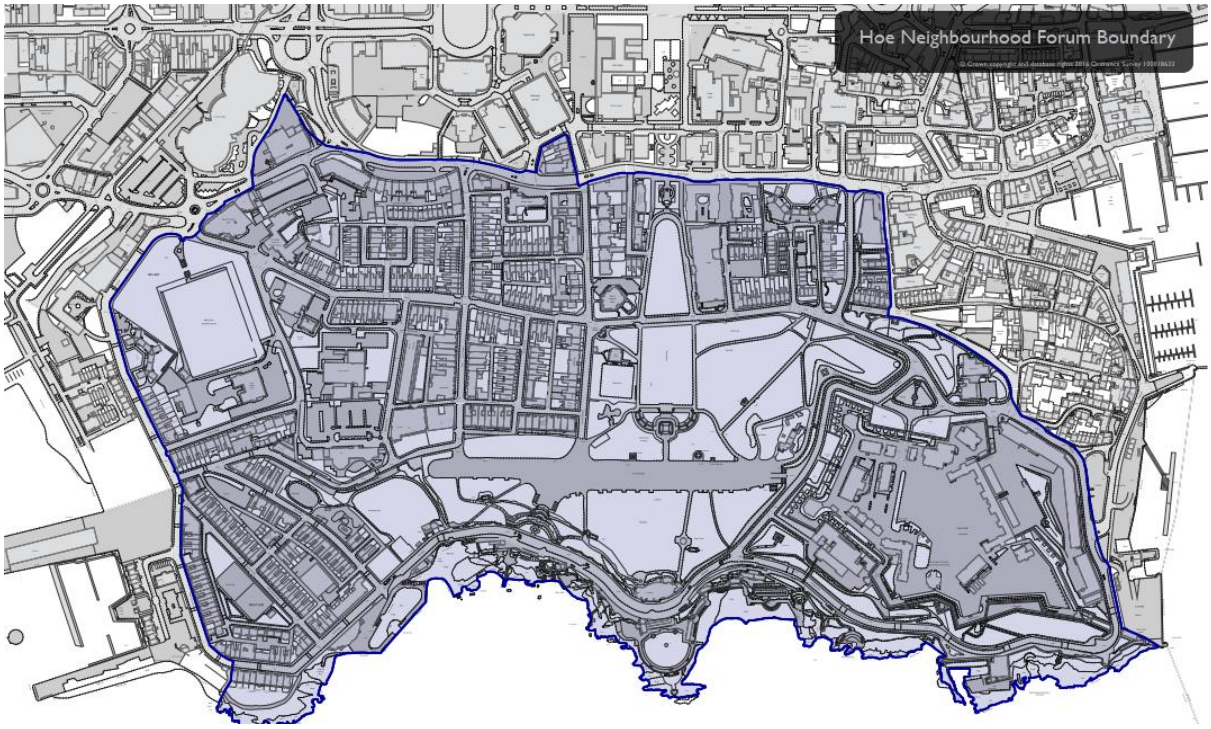
    - E00076583
    - E00076573
    - E00076577
    - E00076579
    - E00076580
    - E00076578
    - E00076584
    - E00076539
    - E00076534
    - E00076532

[1] Available at: https://www.plymouth.gov.uk/sites/default/files/HoeNeighbourhoodForumFinalConstitution.pdf

- E00076581

8. A map of the Neighbourhood Plan area appears below in Figure 2.1. A map of the OAs used for analysis appears below in Figure 2.2.

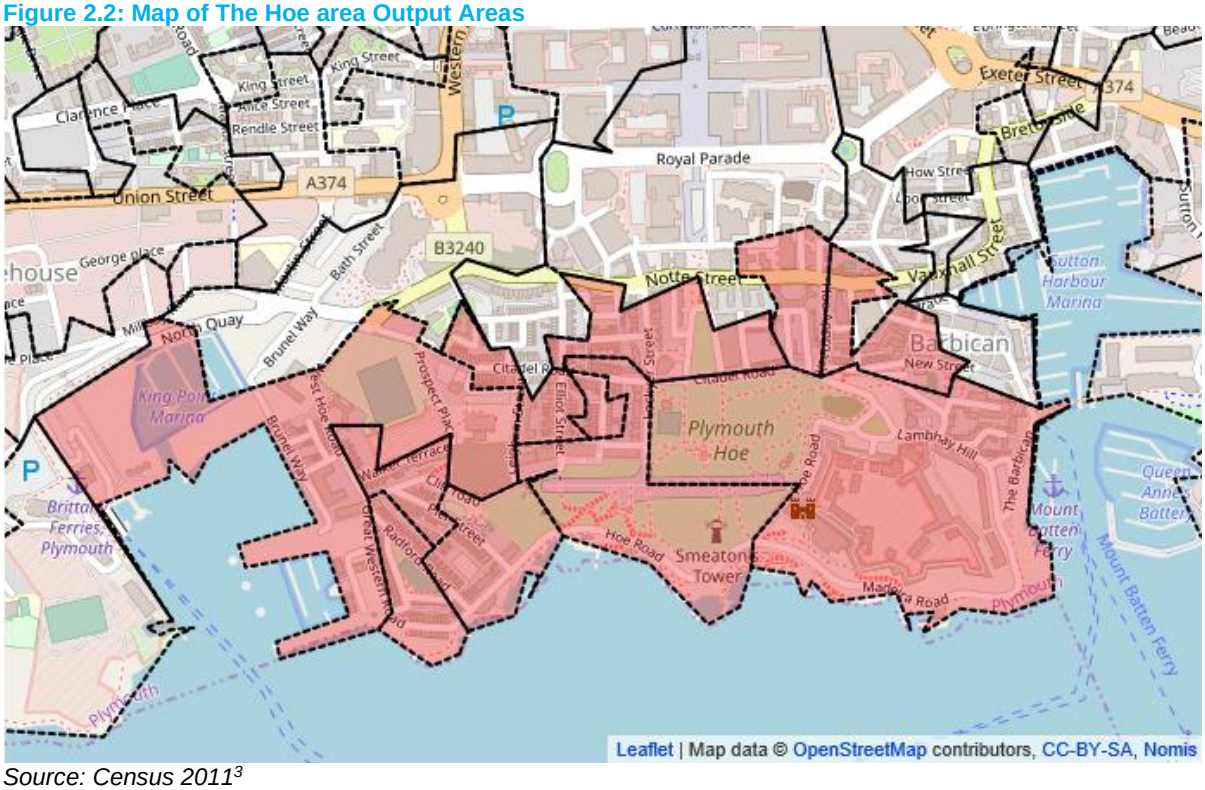
Figure Error! No text of specified style in document.**-1: Map of the Neighbourhood Plan area**



Source: The Hoe Neighbourhood Forum Boundary Map[2]

[2] Available at https://www.plymouth.gov.uk/sites/default/files/HoeNeighbourhoodForumBoundaryMap.pdf

Figure 2.2: Map of The Hoe area Output Areas



Source: Census 2011[3]

9. 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. Note that this does not make the group eligible for any funding for affordable housing, rather it aims to provide the group with evidence on this issue and help to inform the Neighbourhood Plan policies on affordable housing.

2.2 Planning policy context

10. In line with the Basic Conditions[4] of Neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.[5] Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).

11. In the case of The Hoe area, the relevant local planning context is the Plymouth Plan and the Plymouth and South West Devon Joint Local Plan.

12. Two primary documents will inform the development of the The Hoe Neighbourhood Plan, including:

- The Plymouth and South West Devon Joint Local Plan[6], adopted March 2019, which sets out the spatial strategy for the Plan area, including the overall need the plan will address as well as the policies and principles which detail how developments will be distributed across the Plan area. The plan includes strategic objective SO11, which states that the council must deliver developments that are "sustainable, of the right type and of good quality".
- The Plymouth Plan[7], approved March 2019, which outlines housing commitments the council will meet over the course of the plan period (ending 2034) and sets out the policies it will utilise to address

[3] Available at: https://www.nomisweb.co.uk/query/construct/components/stdListComponent.asp?menuopt=12&subcomp=100

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

[5] 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.

[6] Available at https://www.plymouth.gov.uk/sites/default/files/JLPAdoptedVersion.pdf

[7] Available at https://www.plymouth.gov.uk/sites/default/files/PPRefresh%20with%20covers.pdf

housing need. It explains how these policies are supported by policies in the Joint Local Plan and sets out measures for assessing successful policy implementation over the plan period.

2.2.1 Policies in the adopted local plan[8]

13. Table 2.2 summaries the relevant polices in the various plan documents which relate to The Hoe area.

Table Error! No text of specified style in document.**-2: Summary of Plymouth adopted policies having relevance to The Hoe area Neighbourhood Plan Housing Needs Assessment**

Policy	Source	Provisions
Policy SPT3: Provision for new homes	Plymouth and South West Devon Joint Local Plan (2019)	This policy sets out the overall housing requirement in the Plan area, and that a proportion of the developments in the area should be affordable housing. Of the required 19,000 homes in the Plymouth Policy Area, at least 4,550 homes should be affordable.
Policy DEV7: Meeting local housing need in the Plymouth Policy Area	Plymouth and South West Devon Joint Local Plan (2019)	This policy aims to deliver a mix of housing provision, stating that for developments over 10 homes, at least 30% of the total dwellings should be affordable housing thereby creating greater opportunities for home ownership. It sets out requirements within the Plymouth Policy Area (PPA), which includes the neighbourhood plan area.
Policy DEV9: Meeting local housing need in the Plan Area	Plymouth and South West Devon Joint Local Plan (2019)	This policy requires that concerned local authorities ensure the delivery of a range and mix of housing to meet local housing needs in the Plan area.
Policy DEV10: Delivering high quality housing	Plymouth and South West Devon Joint Local Plan (2019)	The policy sets out standards for quantity and quality of affordable housing.
Policy PLY27: Register Office, Lockyer Street, The Hoe	Plymouth and South West Devon Joint Local Plan (2019)	Dealing specifically with The Hoe, this policy states that land at Lockyer Street is allocated for mixed use development, including housing. It provides for 52 homes on the land.
Policy PLY23: Land north of cliff road, the The Hoe	Plymouth and South West Devon Joint Local Plan (2019)	This policy states that land north of Cliff road, The Hoe, is allocated for mixed use regeneration, including housing. It provides for 88 homes on the land.
Policy TTV27: Meeting local housing needs in rural areas	Plymouth and South West Devon Joint Local Plan (2019)	This policy requires that local housing needs in rural areas be met. It also sets out the eligibility criteria that can be applied to proposed affordable housing developments on rural exception sites.

[8] 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.

2.2.2 Policies in the approved local plan[9]

Table Error! No text of specified style in document.**-3: Summary of The Hoe adopted policies having relevance to The Hoe Neighbourhood Plan Housing Needs Assessment**

Policy	Source	Provisions
Policy HEA8: Meeting Local Housing Needs	Plymouth Plan (2019)	This policy states that Plymouth residents have the right to decent, safe and affordable housing. It also states that the local housing market is required to match the needs of the city's current and future residents.
Policy GRO3: Accelerating the delivery of new homes	Plymouth Plan (2019)	This policy states the role of the city and its associated 'planning powers' in meeting Plymouth's housing needs.

2.2.3 Quantity of Housing to provide

14. The NPPF 201 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.

15. Plymouth Council do not provide a housing requirement for individual areas within the City. However, there are two sites allocated with the Joint Local Plan (as identified in Table 2-2 above). One is allocated for 52 homes on the Register Office site and it is this site that the neighbourhood planners are seeking to advance development through a Neighbourhood Development Order (NDO). Another site with capacity for 88 homes, north of Cliff Road is allocated (see Table 2-2 above). As such, in total, there are 140 homes identified with The Hoe during the Plan period.

24. 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. It is important to note here because the housing allocations for the Hoe are 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.

25. 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 10 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 identified in the Local or Neighbourhood Plan. Finally, given that the Hoe 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 neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

[9] As per the Plymouth Plan, "although the Plymouth Plan incorporates Plymouth-specific elements of the Joint Local Plan, it has no statutory 'development plan' status under the Town and Country Planning legislation in itself. Rather, such status remains entirely with the JLP."

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

3. Approach

3.1 Research Questions

26. 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. The RQs relevant to this study, as discussed and agreed with the The Hoe neighbourhood planning group, are set out below.

3.1.1 Tenure and Affordability

27. 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.

28. This evidence will allow The Hoe area 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.

29. Related to this, the group wishes to understand the impact of Second homes, holiday homes and AirBnB on the local housing market, particularly its affordability, so that mitigation measures can be written into the neighbourhood plan if required.

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

3.1.2 Type and Size

30. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.

31. 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.

32. Related to this, the group wishes to understand the impact of Second homes, holiday homes and AirBnB on the local housing market so that mitigation measures can be written into the neighbourhood plan if required.

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?

3.1.3 Specialist Housing for Older People

33. The neighbourhood planning group wishes to ensure that future housing provision takes into account the needs of older people. In terms of housing, the group is particularly interested in how those needs might be met through a variety of solutions – including mainstream housing which meets the needs of households at all life stages and specialist accommodation which promotes independent living and access to care and support. There is significant overlap between this area and the question of housing type and size, but this question will specifically address the need for specialised housing for older people through the Plan period.

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

3.2 Relevant Data

3.2.1 Local authority evidence base

34. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As The Hoe Neighbourhood Area is located within Plymouth

City Council's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is known as The Plymouth, South Hams and West Devon Housing Market Area SHMA 2017.

35. For the purpose of this HNA, data from Plymouth City Council'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

36. In addition to the Plymouth City Council's 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 to establish change over time, from both Census 2001 and 2011, as well as from a wide range of other up to date 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;
    - Valuation Office Agency (VOA) data on local housing stock by dwelling type; and
    - The Housing Learning and Improvement Network (LIN)'s SHOP@ tool for estimating the need for differing types of specialist dwellings for older people.

4. RQ 1: Tenure and Affordability

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

4.1 Introduction

1. This section examines the tenure of dwellings in the current stock and how this has changed over time. 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

2. 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.

3. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.[12]

4. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rented tenures for those unable to afford home ownership.

4.3 Current tenure profile

5. 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 on the Hoe, compared to the rest of Plymouth and England.

6. The majority of households on the Hoe live in the private rented sector (53.3%). This proportion is higher than Plymouth (20.2%) and England (16.8%) as a whole. The proportion of residents that own their own homes is relatively low—only 29.6% of people own their own homes, which is lower than both the district (58.7%) and national (63.3%) total. Furthermore, 15.8% of households live in socially rented houses, as compared to 19.3% in Plymouth and 17.7% in England. Just 0.2% of households live in shared ownership homes.

7. The group have raised the issue of the number of holiday lets, second homes and Airbnb properties on the Hoe. The tenure mix described above, with over half of properties in the private rented sector on the Hoe, could indicate that this area has a concentration of holiday homes since these are often associated with higher

[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.

levels of private renting in urban areas. It may also reflect some concentration of military personnel and students on the Hoe.

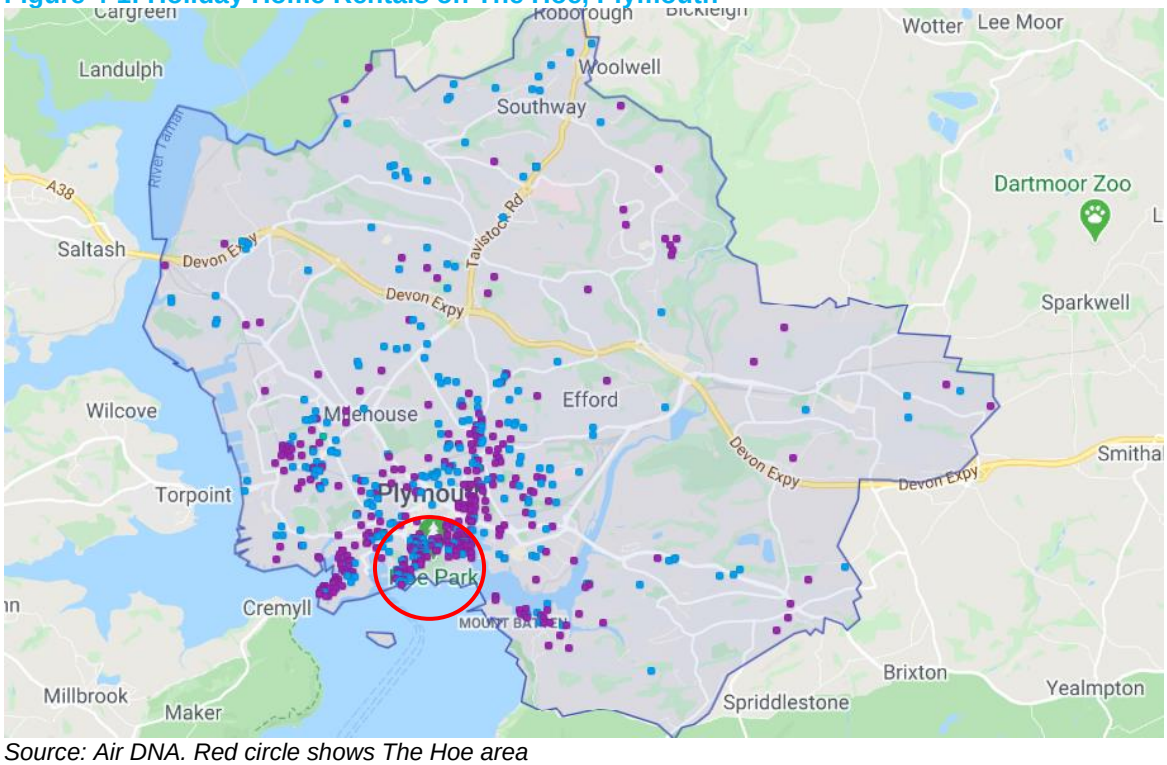
8. As per a report prepared by Colliers (2019)[13] shows that Plymouth experienced significant growth in the Air BnB market from 2014 onwards. Between 2010-2018, the rate of supply grew at an annual growth rate of 74% and there were 946 active rentals in 2018. The report further states that much of Plymouth's Air BnB supply is similarly close to the NA. Furthermore, the report found the Hoe to be a popular destination for tourists travelling to Plymouth, indicating that demand for Air BnBs is likely to grow.

37. The study also found that some of the overall hotel supply in Plymouth is located in close proximity to the NA. This is likely to reflect the fact that visitors choose the Hoe as a destination when visiting Plymouth, in part given its proximity to the ferry service. The report notes that visitors from Spain and France typically stay in the Millbay and The Hoe areas due to early departures and late arrivals.

38. As shown in Figure 4-1, a majority of the rentals in Plymouth are either in or around the NA. According to Air DNA data, 82% of the properties are listed on Air BnB while 9% are listed on Vrba. 9% of properties are listed on both platforms. Two-bedroom homes are the most common type of rental property, with an average of 4.5 guests per home.

39. At the time of writing this report, Air BnB lettings were suspended due to the Covid-19 pandemic. For this reason it is difficult to establish the current number on the Hoe. The longer-term impact of the pandemic and economic impacts may affect the supply of these properties in the future. The nature of these properties, which sit within the mainstream housing stock, means that they are capable of switching tenures and uses quickly in response to changes in demand and/or the circumstances of the owners.

Figure 4-1: Holiday Home Rentals on The Hoe, Plymouth[14]



Source: Air DNA. Red circle shows The Hoe area

40. Looking at the current balance between tenures on the Hoe, which is dominated by the private rented sector, and concerns of the neighbourhood group about the number of Air BnBs or holiday let properties, there appears to be scope to diversify the housing offer away from private renting towards greater provision of both social rent and home ownership. Shared ownership and other affordable routes to home ownership might also widen the offering and provide the function of a stepping stone to home ownership.

[13] Colliers (2019) 'Hotel and other Accommodation Supply and Demand Study', shared by the Neighbourhood Group

[14] Available at: [https://www.airdna.co/vacation-rental-data/app/gb/south-west-england/plymouth/overview]

Table 4.1: Tenure (households) on the Hoe, 2011

Tenure	The Hoe area	Plymouth	England
Owned; total	29.6%	58.7%	63.3%
Shared ownership	0.2%	0.8%	0.8%
Social rented; total	15.8%	19.3%	17.7%
Private rented; total	53.3%	20.2%	16.8%

Source: Census 2011, AECOM Calculations

9. In Table 4.2, we note the changes in tenure during the intercensal period.

10. The most significant change was in the private rented sector, which more than doubled in size over the period. The proportion of residents that own their homes increased by 8.4%, which is much higher than the averages for Plymouth and England. Whilst shared ownership appears to have experienced a steep decline in the period, decreasing much more than in Plymouth, this was from a low base—declining from 3 to 2 dwellings over the period. This is a stark variation from the national trend, where shared ownership increased by 30% over the period. Similarly, social rented housing also experienced a significant decline, decreasing by 42% over the period – possibly as a result of high take-up in the Right to Buy scheme, allowing social renting tenants to purchase the homes they occupy. While district and national percentages of social renting also declined, The Hoe area experienced a much sharper decrease. This is likely to be because of limited or no new social rented housing being built over the period and a substantial number of right to buy sales in this area due to relatively lower house prices.

Table 4.2: Rates of tenure change on the Hoe, 2001-2011

Tenure	The Hoe area	Plymouth	England
Owned; total	8.4%	-0.5%	-0.6%
Shared ownership	-33.3%	-4.2%	30.0%
Social rented; total	-42.0%	-3.3%	-0.9%
Private rented; total	84.9%	94.0%	82.4%

Source: Censuses 2001 and 2011, AECOM Calculations

11.

4.4 Affordability

12. Having reviewed the tenure of the existing housing stock on the Hoe, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.

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

4.4.1 House Prices

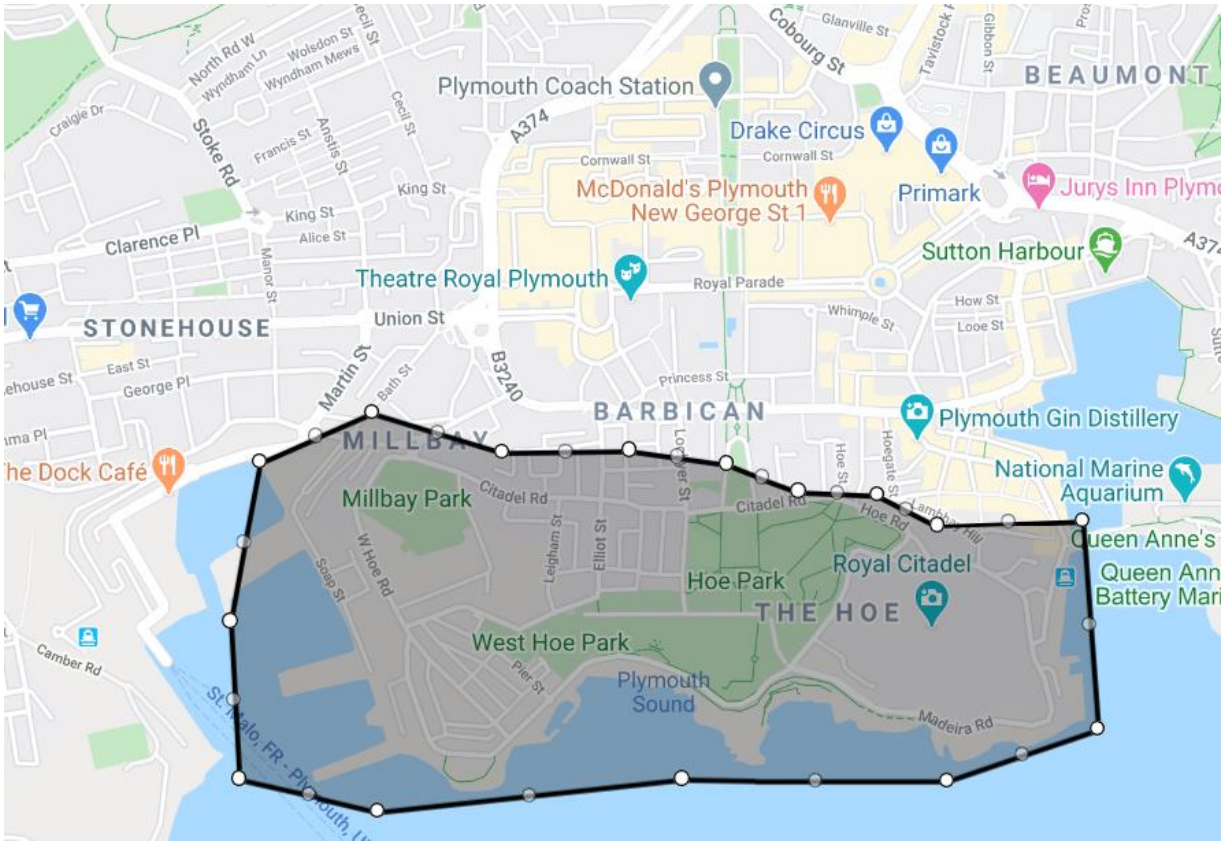
14. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over 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.

15. In line with PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio (LQAR) and the Median Affordability Ratio (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking

affordability changes over time and between different geographies. Further, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices. Entry-level properties are typically one or two-bedroom flats/houses.

16. Data on house prices is drawn from transactions in the PL1 postcode area using a boundary based on the Neighbourhood Forum's boundary for The Hoe area. Figure 4.1 presents the boundary area used for these estimates.

Figure 4.1: Best-fit boundary area for calculation



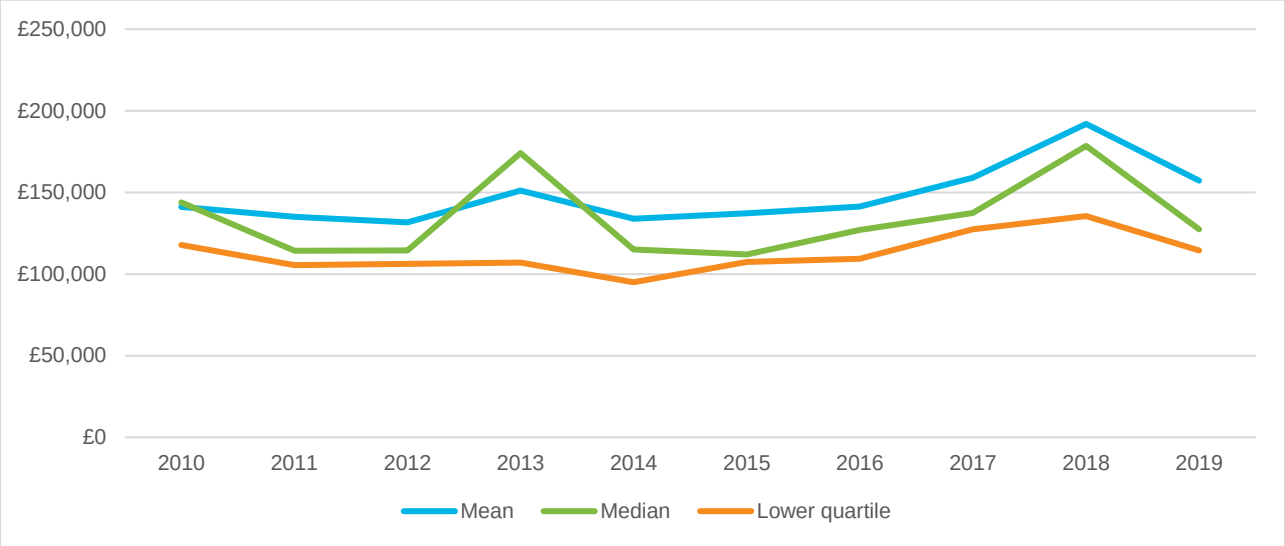
Source: Doogal[15]

17. Figure 4.2 looks at selected measures of house prices on the Hoe and shows that over the last 10 years (to the end of 2019), house prices have declined. Although mean average house prices increased by 11% over the period, median average prices decreased by 11%. The difference between an increase in the mean and a decrease in the median is explained by the mean average being affected by sales of higher priced properties. The median is probably more representative of pattern of change. Lower quartile prices declined by 3% over the period. The price of an average (mean) property in the NA was £157,134 at the end of 2019. At the end of 2019, a lower quartile (entry level) property was priced at £114,500. Overall there has been limited change in prices over the last 10 years.

18. In terms relative to Plymouth, The Hoe area has seen very little growth. Mean prices in Plymouth increased by 43%, while median average prices increased by 17.9% over the period. Lower quartile prices rose by 13.6%. At the end of 2019, a lower quartile property was priced at £125,000. The slower rate of growth of lower quartile properties might indicate less demand pressure on smaller properties compared to larger ones.

[15] Available at: [https://www.doogal.co.uk/findpostcode.php]

Figure 4.2: House prices by quartile on the Hoe between 2010 and 2019



Source: Land Registry PPD

19. It is also relevant to note that prices within the neighbourhood area are lower than the surrounding area. While mean prices in the PL1 area saw a growth of 101%, the wider neighbourhood area saw a median growth of 14% while Lower Quartile prices experienced no change over the period (0%).

20. Table 4.1 below breaks down The Hoe NA house prices by type of property, as recorded by Land Registry Price Paid Data (PPD). It shows the lack of detached and semi-detached properties sold on the Hoe, which reflects that it is a largely urban area, with a majority of flats and terraces. The table also shows that the price of flats experienced a decrease in price over the time period. The overall growth (mean average) was 11.4%, though this was driven by an increase in the price of terraced homes sold.

21. It is relevant to note that average prices on the Hoe are low in comparison to other areas of the country. Potential second home owners and investors are likely to see these prices as attractive for investment in a holiday let and reinforces the area as a location for short term rentals such as these.

Table 4.1: House prices by type on the Hoe, 2010-2019, £000's

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	-	-	-	-	-	-	-	-	-	-	-
Semi-detached	-	-	-	-	-	-	-	£250k	-	-	-
Terraced	-	£210k	-	£185k	£291k	-	£238k	-	-	£306k	-
Flats	£141k	£110k	£131k	£101k	£124k	£122k	£122k	£144k	£166k	£140k	**-1.1%**
All Types	**£141k**	**£135k**	**£131k**	**£151k**	**£134k**	**£137k**	**£141k**	**£159k**	**£192k**	**£157k**	**11.4%**

Source: Land Registry PPD (rounded to nearest £1,000)

4.4.2 Income

22. Household incomes determine the ability of households to afford their own home and 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.

23. The first source is locally specific but limited to the average total household income. This is obtained from the average household income estimates published by ONS at the level of the Middle-layer Super Output Area (MSOA). In the case of The Hoe, the two MSOAs most suitable for use as a proxy for the Neighbourhood

Plan area boundary are E02003148 and E02003150. Further details on the extent of the MSOAs, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

24. The total household income across both the MSOAs in 2011 was £30,550. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.

25. 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.

26. 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.

27. Plymouth's gross LQ weekly earnings for 2018 were £290, or approximately £15,054 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, these lower quartile earnings are doubled, to £30,108.

4.5 Affordability Thresholds

28. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.

29. 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 B. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. Table 4.2 shows the cost of different tenures and the annual income required to support these costs on the Hoe. The income required column is the annual income needed to support ongoing housing costs and assumes the households has a deposit (assumed to be 10% of the value to be purchased). Some households may have sufficient incomes but are unable to secure a deposit. Others may be able to access a mortgage with a lower income is they hold equity from an existing property or with the support of family.

Table 4.2: Affordability thresholds on the Hoe (income required, £)

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? £30,550	Affordable on LQ incomes? £15,054	Affordable on LQ 2 incomes? £30,108
Market Housing						
Median House Price	£114,750	-	**£32,786**	No	No	No
LQ/Entry-level House Price	£102,600	-	**£29,314**	Yes	No	Yes
Average Market Rent (2 bed)	-	£8,616	**£34,464**	No	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£91,800	-	**£26,229**	Yes	No	Yes
Discounted Market Sale (-30%)	£80,325	-	**£22,950**	Yes	No	Yes
Discounted Market Sale (-40%)	£68,850	-	**£19,671**	Yes	No	Yes
Discounted Market Sale (-50%)	£57,375		**£16,392**	Yes	No	Yes
Shared Ownership (50%)	£57,375	£6,375	**£22,768**	Yes	No	Yes
Shared Ownership (25%)	£28,688	£9,563	**£17,759**	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent – average	-	£5,526	**£22,102**	Yes	No	Yes
Social Rent – average	-	£3,968	**£15,872**	Yes	No	Yes

Source: AECOM Calculations

30. 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 The Hoe (MSOA E02003148 and E02003150) at £30,550 and the lower quartile gross earnings for Plymouth for single-earners at £15,054 and dual-earning households at £30,108.

31. Taking into consideration the affordability thresholds set out above, it is apparent that the income average to buy an entry-level market home for sale (£29,443) is lower than that available to households on mean average incomes, making it affordable to households on these incomes. However, the income required to afford an entry-level home for sale is higher than that is available to those on lower quartile household earnings (£15,054), unless two household members may be earning.

32. Entry level market rents require households to have incomes of around £34,464. Market renting is inaccessible to those on average incomes as well as to lower quartile income households, even where two members might be earning. This is important in light of the fact that more than half of the households on the Hoe rent their homes in the private market.

33. 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. The following further observations can be made in relation to such products and the discounts required to make them affordable:

    - The discount on the *average* market sale price required to enable households on mean incomes to afford to buy is 14% on the Hoe. Households on average incomes could afford lower quartile priced properties however.
    - Whether discounted market sale is affordable will depend 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
    - Discounts on new build or average prices may make homes no more affordable than entry level properties in the existing stock.
    - 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.[16] This cost excludes any land value or developer profit.
    - 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.[17]. Discounted market sale (where discounts are in excess of 40%) and shared ownership at lower shares such as 25% would extend homeownership to the widest group.
    - 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. On the Hoe a 30% discount on average prices would be sufficient to extend home ownership to households on average incomes.
    - The income required to access Rent to Buy is the same as that required to afford market rents. Thus, on the Hoe, households with incomes of £34,464 would be able to access this product. This might be a suitable product for households who have sufficient incomes to buy but do not have savings or equity for a deposit.
    - The neighbourhood plan and neighbourhood group are likely to have limited control or influence level of discount achieved on market sale properties but the Government's consultation on First Homes suggests that the LPA should have a role here and as such the evidence in this HNA could feed into any policy that is developed on First Homes provision.

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

[17] 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

34. It is evident that single-earning households on lower quartile earnings cannot access social rent and shared ownership (25% and 50%) products, unless there are two members earning or additional subsidy is provided. It may also be the case that some such households are presently occupying rooms in shared houses using housing benefit.

35. Furthermore, The Hoe is an unusual neighbourhood area because the incomes required to afford home ownership (at entry level prices) (£29,314) are similar to the incomes required to access the private rent market (£34,464). The relative affordability of market homes for purchase potentially calls into question the value of affordable home ownership products in this area. These are typically aimed at households who can afford to rent but cannot afford to buy and aspire to do so. Yet the poor affordability of market renting, which appears unaffordable to households on median incomes, suggests the private rented market is unusual on the Hoe and may be distorted by the holiday lets market.

36. The latest Government consultation on 'Changes to the current planning system'[18] 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. The evidence gathered here suggests that seeking the highest possible discounts would not be justified in Hoe because relatively small discounts are needed on the price of new homes to make them affordable to those on average incomes.

[18] Available at: https://www.gov.uk/government/consultations/changes-to-the-current-planning-system.

4.6 Affordable Housing – Quantity Needed

37. The starting point for understanding the need for affordable housing on the Hoe is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Plymouth City Council, South Hams District Council and West Devon Borough Council in 2017. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA 2017 identifies the need for 189 additional affordable homes each year in Plymouth as a whole. 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%.

38. When the SHMA figures are pro-rated for The Hoe based on its fair share of the population (1.04% of Plymouth's population), this equates to 1.96 homes for social/affordable rent per annum or 39.2 homes over the Local Plan period (2014-2034).

39. Figure 4.4 below estimates potential demand for affordable home ownership products on the Hoe. 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 do not require housing). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes, however the affordability analysis suggests the cost of renting and buying entry level homes on the Hoe is similar. It is likely, therefore, that the households identified in Figure 4-1 may be interested in and eligible for affordable home ownership products, but these products are not urgently required given the relative affordability of market housing.

40. 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.

41. The model discounts 25% of these households, assuming a proportion will be renting out of choice. The result is that there is an estimated need for 17.9 affordable home ownership dwellings per year or 358 over the Plan period.

42. This finding should be approached with caution however. It has been found that private renting is more expensive than some forms of home ownership on the Hoe, so using the private renting population as a starting point for an estimate of demand for affordable home ownership products may be misleading. It is likely that more than 25% of private renting households on the Hoe do so by choice, or that the market is distorted by high levels of holiday lets, and that the demand identified here may be lower in practice.

Figure 4.4: Estimate of the potential demand for affordable housing for sale on the Hoe

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	568	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	26.4%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	150.1	1.1 x 1.2
1.4 Current need (households)	313.5	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	**15.7**	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	93.3	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	35.7%	Current % of households in PRS
2.3 Total newly arising need	33.3	2.1 x 2.2
2.4 Total newly arising need per annum	**2.6**	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	6.4	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	**0.3**	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	**17.9**	**Shortfall = (Step 1.5 + Step 2.4) – 3.2**

Source: *AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock*

43. It is important to keep in mind that the households identified in the estimate above are, by and large, adequately housed in the private rented sector. They do not lack their own housing but may prefer to buy rather than rent.

44. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

45. It is also important to remember that even after The Hoe area, 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.

4.6.1 Affordable Housing Policies on the Hoe

46. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing on the Hoe. Plymouth City Council's Local Plan policy in relation to Affordable Housing delivery requires 30% of all new homes on sites of 10 dwellings or more to be delivered as affordable homes without public subsidy (Policy DEV7). This policy would apply on the Hoe, subject to sites coming forward for development with 10 or more dwellings. The policy does not specify a target breakdown within Affordable Housing between affordable rented tenures and affordable routes to home ownership.

47. 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 reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.

48. 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 neighborhood 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 (section 2.2.3).

49. The neighbourhood group may wish to develop policies on the mix of tenures within Affordable Housing delivered on the Hoe. 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 on the Hoe.

    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 on the Hoe to address the aspirations of households who can rent but can't buy (or in this case, cannot rent or buy but might wish to buy if sufficiently affordable options came forward). AECOM's estimate identified the potential demand for 358 homes over the plan period. A pro-rating exercise of the need for affordable rented housing identified in the SHMA estimates that The Hoe area requires 39 units over the plan period. The relationship between these two estimates in percentage terms is 90% ownership and 10% rented. However, it is likely that the 358 figure is inflated because of the large share of households in the private rented sector. These households may be able to buy in the open market according to our affordability analysis. Whilst some may be interested in and eligible for affordable home ownership, they may have other options and are not in housing need.

    B. **Can Affordable Housing needs be met in full?** The Hoe area does not have a Housing Requirement Figure, but it is known that the NDO site is expected to deliver 52 homes, with a further 88 on another site north of Cliff Road. This gives a potential supply of 140 homes over the plan period. If 30% of those dwellings come forward as Affordable Housing (in line with policy expectations), approximately 42 affordable dwellings can be expected to be delivered during the Plan period. Given that this level of delivery would only just satisfy the need for affordable rented housing and clearly cannot meet the much higher potential demand for affordable home ownership products, it may be beneficial to prioritise the more urgent needs of those who require affordable rented housing.

    C. **Government policy (e.g. NPPF) requirements**: current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. Given that 30% of all housing in Plymouth should be Affordable Housing, and affordable home ownership is a sub-category of Affordable housing, making affordable home ownership 10% of all housing would require that it forms at least 33% of Affordable Housing as a whole. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.

    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.[19] 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.

    E. **Local Plan policy**: Neither the Joint Local Plan nor the Plymouth Plan mention a specific tenure mix. Should the Neighbourhood Plan develop a policy on tenure mix which is adopted, this would have weight in determining planning applications on the Hoe. It is assumed that such a policy would be developed in consultation with the LPA.

[19]The 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 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. The 25% First Homes requirement is likely to displace other affordable home ownership products in the first instance. Those affordable home ownership products providing the lowest discount should be displaced first. 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). As yet, it is unclear whether there will be any flexibility over this 25% requirement to take account of local circumstances.

F. **Affordability thresholds**: Given a majority of lower quartile income households cannot access average market rent, there is likely to be a need to prioritise the provision of affordable rented homes. The data also suggests that those households able to afford private rents may be able to afford to buy an entry level home in the market.

G. **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.

H. **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.

I. **Existing tenure mix on the Hoe**: there is a relatively low proportion of social renting compared with wider geographies, so future provision of social and affordable rented housing would be valuable. There is also a very low rate of shared ownership and home ownership which, equally, would justify the provision of more affordable home ownership products.

J. **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.

K. **Wider policy objectives**: the neighbourhood group may wish to take account of broader policy objectives for The Hoe 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.

50. In Table 4-5 below, two alternative scenarios for the tenure mix of Affordable Housing on the Hoe 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.

51. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs on the Hoe as identified in the HNA evidence, with 67% of affordable homes as rented tenures and 33% as routes to ownership.

52. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) takes the same headline split between renting and owning, but the breakdown 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. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development.

53. 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, the suggested affordable routes to home ownership (rent to buy and shared ownership) would be displaced, with rent to buy displaced first as it is less affordable in this area.

54. 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 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-size circumstances in addition to this evidence.

55. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.

56. 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 4-5: 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[20]	18%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	10%	8%	Proposed changes to the model to allow purchases of 10% share[21] - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	0%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which	**67%**	**67%**	
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

57. 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 polices (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of the Hoe to accommodate those with the most acute needs.

[20] 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.

[21] https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes

58. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (entry-level exception sites or community led housing etc.).

59. However, the neighbourhood planners should note that the First Homes product has not been formally implemented ,and should monitor the outcomes of the Government consultation closely.

4.7 Conclusions – Tenure Split and Affordability

60. The majority of households on the Hoe live in the private rented sector (53.3%). This proportion is higher than Plymouth (20.2%) and England (16.8%) as a whole. The proportion of residents that own their own homes is relatively low—only 29.6% of people own their own homes, which is lower than both district (58.7%) and national (63.3%) proportions. Furthermore, 15.8% of households live in socially rented houses, as compared to 19.3% in Plymouth and 17.7% in England. Just 0.2% of households live in shared ownership homes. It is likely that the balance of tenures is distorted by the number of holiday let properties on the Hoe, as well as military personnel and students who also rent in this area.

61. Looking at the current balance between tenures on the Hoe, there appears to be scope to diversify the housing offer away from private renting towards greater provision of both social rent and, to a greater degree, home ownership. With affordability being a challenge in the area, shared ownership and other affordable routes to home ownership might both widen the offering themselves and provide the function of a stepping stone to home ownership.

62. In terms of house prices, prices on the Hoe have declined over the last 10 years. Although mean average house prices increased by 11% over the period, median average prices decreased by 11%. Lower quartile prices declined by 3% over the period. The price of an average (mean) property in the NA was £157,134 at the end of 2019. At the end of 2019, a lower quartile (entry level) property was priced at £114,500. The decline of lower quartile prices might suggest that smaller properties are under lower demand pressure.

63. It is relevant to note that average prices on the Hoe are low in comparison to other areas of the country. Potential second home owners and investors are likely to see these prices as attractive for investment in a holiday let and reinforces the area as a location for short term rentals such as these.

64. As per a report prepared by Colliers (2019)[22] shows that Plymouth experienced significant growth in the Air BnB market from 2014 onwards. Between 2010-2018, the rate of supply grew at an annual growth rate of 74% and there were 946 active rentals in 2018. The report further states that much of Plymouth's Air BnB supply is similarly close to the NA. Furthermore, the report found the Hoe to be a popular destination for tourists travelling to Plymouth, indicating that demand for Air BnBs is likely to grow. Based on the findings of this report and Air DNA data, our analysis found there to be a large number of Air BnBs in the NA

65. In order to assess housing affordability, we used three indicators of income: first, the total household income across both the MSOAs in 2019 was £30,550. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow. The second source of data is Lower Quartile (LQ) average earnings. Plymouth's gross LQ weekly earnings for 2018 were £290, or approximately £15,054 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 £30,108.

66. This HNA suggests there is substantial need for affordable housing in the NA, particularly for social and affordable rents because low-income households do not have other choices.

67. The income required to buy an entry-level market home for sale (£29,443) is lower than that available to households on average incomes (£30,550), making it affordable to these households. However, the income required to afford an entry-level home for sale is higher than that is available to those on lower quartile household earnings (£15,054), unless two household members may be earning. higher than that available to households on median incomes, as well as to those on lower quartile household earnings (£15,054), unless two household members may be earning. Entry level market rents require households to have incomes of around £34,464. Market renting is thus inaccessible to those on average incomes as well as to lower quartile income households, even where two members might be earning.

68. Affordable home ownership products would be affordable to those on average incomes. However, The Hoe is unusual because the cost of home ownership (entry level prices) is similar to the cost of private rents. This

[22] Colliers (2019) 'Hotel and other Accommodation Supply and Demand Study', shared by the Neighbourhood Group

calls into question the value of affordable home ownership products in this area; though AECOM suggest that the PRS market may be distorted by holiday lets and Airbnb properties.

69. Table 4-6 below summarises the Hoe's 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 quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes 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 neighborhood 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. Note that for the Hoe, the two mixes have the same outcome in terms of the overall numbers of affordable homes for rent and sale because the application of the 25% First Homes requirement does not change the overall tenure mix, just the balance of different products provided as affordable home ownership.

70. 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. Nevertheless, the expected dwelling capacity on the sites identified within the Hoe are above the temporary threshold and so should not be affected by this policy change.

Table 4-6: Estimated delivery of Affordable Housing in the Hoe

	Step in Estimation	**Estimated delivery (same for both Mix 1 and Mix 2)**
A	Provisional capacity figure	140
B	Affordable housing quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	42
D	Rented % (e.g. social/ affordable rented)	67%
E	Rented number (C x D)	28
F	Affordable home ownership % (e.g. First Homes, Shared Ownership etc)	33%
G	Affordable home ownership number (C x F)	14

71. It is estimated that there will be need for 39 units of affordable rented housing and 358 units of affordable housing for sale on The Hoe over the Plan period. Since the expected total quantity of delivery of Affordable Housing is around 42 homes, it is recommended that the more urgent needs of those requiring affordable rented housing should be prioritised. A tenure split within Affordable Housing of 67% rented and 33% ownership is proposed, though the group will need to balance this against other considerations and consult with the LPA.

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

1. The Hoe Neighbourhood Plan may include policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life. As with the considerations for Affordable Housing, it is important to keep in mind that The Hoe sits within a wider housing market area and the neighbourhood will contribute to an overall balance of homes at this level. However, particular biases in the size or type of homes at the neighbourhood level may merit policies which support a wider mix and offer choice at the local level.
2. Planning Practice Guidance (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 on the Hoe. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is estimated by applying future demographic projections to the way different household types occupy their dwellings currently.

5.2 Existing types and sizes

5.2.1 Background and Definitions

3. 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.
4. 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.
5. 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 follows[23]:

    - 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

41. 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

[23] At https://www.nomisweb.co.uk/census/2011/qs407ew

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.[24] As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

42. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area." 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.

5.3 Dwelling Type

43. The 2011 census shows that there were 1,558 households on the Hoe, living in 9 detached houses, 24 semi-detached, 139 terraced houses and 969 flats. Table 5.1 below shows that the housing type mix on the Hoe is very different from that of Plymouth and England. The Hoe has a large proportion of flats—the NA's most common dwelling type — more than double than that of Plymouth and England. However, the percentage of both semi-detached and terraced houses is much lower than the two comparator areas, and the near absence of detached housing is a key area of divergence.

44. Although the percentage of flats is very high, the number of flats located in commercial buildings is very low. However, this is not uncommon since percentages for the same both on a district and national level tend to be similarly low. Flats on the Hoe tend to be apartments or purpose-built flats (58.6%) or parts of converted or shared houses (30.9%).

Table 5.1: Accommodation type (households), The Hoe, 2011

Dwelling type		The Hoe	Plymouth	England
Whole house or bungalow	Detached	0.5%	10.8%	22.4%
	Semi-detached	1.5%	29.4%	31.2%
	Terraced	8.4%	33.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	58.6%	17.0%	16.4%
	Parts of a converted or shared house	30.9%	8.4%	3.8%
	In commercial building	1.9%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

5.4 Dwelling Size

72. Table 5.2 below sets out the distribution of the number of rooms by household space. The housing stock on the Hoe is characterised by generally smaller dwellings than that of Plymouth, with only 5.4% of homes having seven or more rooms, compared with 17.6% in Plymouth. However, The Hoe area has moderate sized housing—69.2% of dwellings on the Hoe have either three or four rooms, compared with 33.2% in Plymouth.

[24] At https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form

Table 5.2: Number of rooms per household on the Hoe, 2011

Number of Rooms	The Hoe area	Plymouth
1 Room	2.3%	0.7%
2 Rooms	12.7%	3.4%
3 Rooms	35.8%	12.5%
4 Rooms	33.4%	20.7%
5 Rooms	7.2%	24.9%
6 Rooms	3.1%	20.1%
7 Rooms	2.0%	9.3%
8 Rooms or more	1.3%	4.6%
9 Rooms or more	2.1%	3.7%

Source: ONS 2011, AECOM Calculations

73. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. One notable change from the 2001 census is that The Hoe's proportion of dwellings with six rooms or more dropped by 42.8% whilst dwellings of two and three rooms saw a gain of 64.8%. With regards to the latter, The Hoe's changes are in line with the district and national averages—the rates of change for two- and three-room dwellings for Plymouth (62.4%) and England (44.6%) are almost the same as for The Hoe, with the percentage change of Plymouth being slightly higher. It is the percentage drop in dwellings of six or more rooms that appears to be high, especially since the comparator geographies saw overall growth in these categories. However, this is the result of a relatively small sample size, with the total number of dwellings with six rooms or more declining from 154 to 133. For instance, in 2001 there were 39 households with seven rooms and in 2011, there were 31 households with seven rooms—this was a decrease of only 8 households.

74. In terms of numbers, The Hoe's size mix fluctuations indicate a steady trend—three and four room dwellings are on the rise, whereas larger homes are steadily declining. It is also clear that most of the new development between 2001 and 2011 focused on two, three and four room dwellings—this should be taken into consideration when planning the dwelling mix sought in future development.

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

Number of Rooms	The Hoe area	Plymouth	England
1 Room	-16.3%	1.9%	-5.2%
2 Rooms	39.4%	38.9%	24.2%
3 Rooms	25.4%	23.5%	20.4%
4 Rooms	8.3%	2.3%	3.5%
5 Rooms	4.7%	0.6%	-1.8%
6 Rooms	-16.9%	-1.6%	2.1%
7 Rooms	-20.5%	11.0%	17.9%
8 Rooms or more	-5.4%	24.3%	29.8%

Source: ONS 2001-2011, AECOM Calculations

75. Returning to the most recent Census data, it is also useful to consider data pertaining to the number of bedrooms in each dwelling. Table 5.4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms.

76. It is evident that 87.7% of all dwellings on the Hoe have one or two bedrooms—this figure is 48% higher than the percentage total for Plymouth (39.7%). This is relevant context for the findings relating to the number of rooms above—The Hoe has seen 64.8% rise in two-or three-room dwellings, of which at least one room is likely to be a bedroom. As per the 2011 Census, only 37 dwellings had 5 bedrooms or more, while 1,336 dwellings had either one or two bedrooms.

77. Furthermore, it is apparent that the size mix on the Hoe differs than that of Plymouth and England both—Plymouth (14.1%) and England (19%) have greater percentages of dwellings with four or more bedrooms compared to The Hoe area (5.2%)

Table 5.4: Number of bedrooms in household spaces on the Hoe, 2011

	The Hoe		Plymouth		England	
All Homes:	**1,558**	**100.0%**	**109,307**	**100.0%**	**22,063,368**	**100.0%**
No bedrooms	7	0.4%	280	0.3%	54,938	0.2%
1 bedroom	706	45.3%	16,473	15.1%	2,593,893	11.8%
2 bedrooms	660	42.4%	32,354	29.6%	6,145,083	27.9%
3 bedrooms	104	6.7%	44,818	41.0%	9,088,213	41.2%
4 bedrooms	44	2.8%	11,257	10.3%	3,166,531	14.4%
5 or more bedrooms	37	2.4%	4,125	3.8%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

5.5 Household composition and age structure

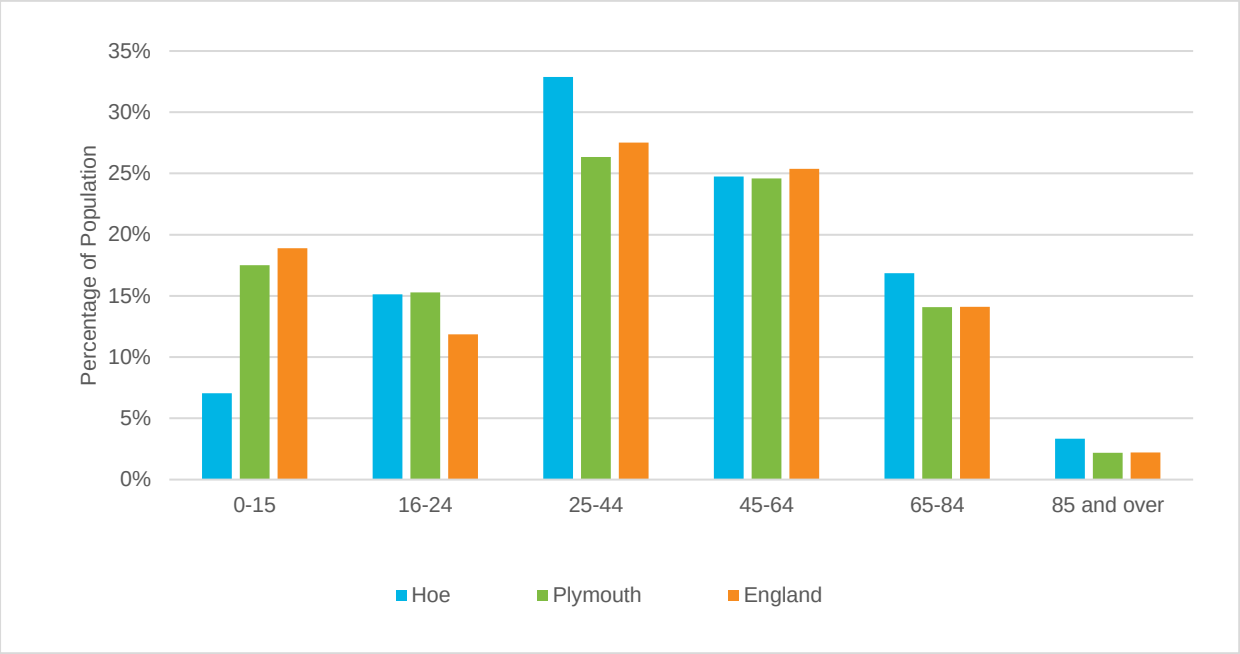
78. Having established the current stock profile of The Hoe and identified changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over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

5.5.1 Age Structure

79. The 2011 Census data reveals that The Hoe has a significantly higher percentage of people aged 25-44 than both wider geographies, and a lower percentage of people aged 0-15 (see **Error! Reference source not found.** below). While The Hoe's proportion of those aged 65-84 and 85 and over is only marginally greater than wider Plymouth, there is a large cohort of people in the age group likely to enter retirement age over the Plan period (or to have already done so since the last Census). While The Hoe may not have experienced an ageing of the population to the same extent as Plymouth and England in recent years, that trend can be expected to accelerate going forward.

80. In terms of the changing age structure of the population, Census data shows that since 2001 The Hoe's population has seen a proportionate decline in its proportion of older adults (65-84). It has also seen a 41.5% increase in adults aged 23-64.

Figure 5.1 : Age structure on the Hoe, 2011



Source: ONS 2011, AECOM Calculations

Table 5.6 : Rate of change in the age structure of The Hoe area population, 2001-2011

Age group	The Hoe area	Plymouth	England
0-15	3.9%	-4.6%	1.2%
16-24	1.3%	27.2%	17.2%
25-44	23.9%	-1.2%	1.4%
45-64	17.6%	12.4%	15.2%
65-84	-7.6%	7.1%	9.1%
85 and over	7.2%	17.4%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.5.2 Household composition

81. The Household composition (i.e. the mix of adults and children in a dwelling) is an important factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Relevant data is presented in 5.7 below.

82. On assessing Census data on household composition, it is evident that The Hoe has a higher proportion (57.8%) of one person households than both wider areas, with correspondingly fewer people living in family households or in other household types (such as shared accommodation). Most people living in one person households are likely to be young, since only 17.3% of this type of household comprises people aged 65 years and older.

83. Of the 34% of family households, 16.6% have no children. Consistent with the age profile of the neighbourhood, this can be understood as young couples yet to (or choosing not to) have children. Only 5.9% of these households are inhabited by people aged 65 and over, whilst 8.1% of these households have dependent children. It is relevant to note that there is a primary school on the Hoe but relatively few family households with children. The neighbourhood group report that children are bussed to the school from other parts of Plymouth because of space capacity.

84. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university.

Table 5.7 : Household composition (by household), The Hoe, 2011

Household composition		The Hoe area	Plymouth	England
One-person household	**Total**	57.8%	31.4%	30.2%
	Aged 65 and over	17.3%	12.3%	12.4%
	Other	40.4%	19.1%	17.9%
One family only	**Total**	34.0%	60.5%	61.8%
	All aged 65 and over	5.9%	7.9%	8.1%
	With no children	16.6%	18.6%	17.6%
	With dependent children	8.1%	25.1%	26.5%
	All children Non-Dependent	3.3%	9.0%	9.6%
Other household types	**Total**	8.3%	8.1%	8.0%

Source: ONS 2011, AECOM Calculations

85. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011 the proportion of one family households on the Hoe increased at a faster rate than Plymouth or England, and the proportion of families with no children increased much faster than both wider geographies (see Table 5.8 below).

86. The Hoe's population saw a significant demographic change in the form of a declining percentage of people aged 65 and over—one person households comprising of this group declined by 23.7% whilst one family households comprising the same decreased by 9.8%.

87. The Hoe's population of other household types (such as multi-family and shared households) increased by nearly 65.4%, which is faster than Plymouth and England.

88. Seen in the context of The Hoe's comparatively large stock of one and two room dwellings, the expected acceleration in the ageing of the population and the high proportion of families with no children point toward a need for a more balanced mix of dwellings and less emphasis on one and two room flats if there is an objective to improve the mix at the neighbourhood level. This hypothesis will be tested in the sections below.

Table 5.8: Rates of change in household composition, The Hoe area, 2001-2011

Household type		Percentage change, 2001-2011		
		The Hoe area	**Plymouth**	**England**
One-person household	**Total**	8.0%	4.2%	8.4%
	Aged 65 and over	-23.7%	-10.0%	-7.3%
	Other	31.5%	16.0%	22.7%
One family only	**Total**	11.6%	5.0%	5.4%
	All aged 65 and over	-9.8%	-2.5%	-2.0%
	With no children	25.7%	10.6%	7.1%
	With dependent children	0.0%	0.3%	5.0%
	All children non-dependent	30.0%	15.7%	10.6%
Other household types	**Total**	65.4%	33.9%	28.9%

Source: ONS 2001-2011, AECOM Calculations

5.6 Dwelling mix determined by life-stage modelling

89. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged over 65, will call for increased accommodation that suits the needs of the group.

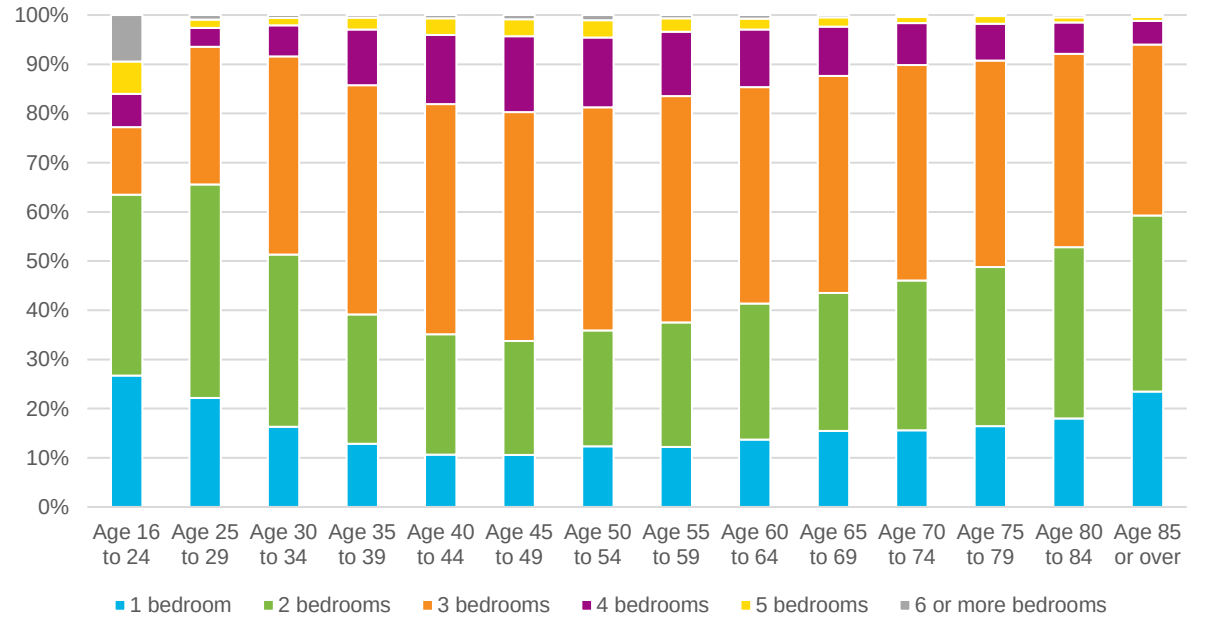
90. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not consider income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach 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 may mean that many households are forced to occupy less space than they need or want.

91. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.

92. Figure 5.9 below sets out the relationship in the 2011 Census at district 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 Local Plan period.

93. The data shows that three-bedroom dwellings seem to be most common dwelling size for 11 of the 14 age bands considered here—being the most common for residents between the ages of 35 and 64. For those aged between 16 and 29, two-bedroom dwellings appear to be the most common. The proportion of households occupying these smaller dwellings declines as households age, until they are again occupied by a majority of households only from the age of 75 onwards. The occupation of dwellings with four or more bedrooms is not a common choice across any of the age bands. Dwellings with six or more bedrooms are seen amongst occupiers between the ages of 16 and 24, which likely reflects households living in shared properties (eg Houses in Multiple Occupation), while dwellings of this size are almost negligible in number for the remaining age bands.

Figure Error! No text of specified style in document.**.9: Age of household reference person by dwelling size in Plymouth City Council, 2011**



Source: ONS 2011, AECOM Calculations

94. Household projections produced 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 district level and for the years 2014 and 2039.

Therefore, the distribution of households by the age of the HRP would be in 2034 (i.e. the end of the Local Plan period) is estimated and provided in red in Table 5.10 below.

Table 5.10: Projected distribution of households by age of HRP, Plymouth City Council

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	845	22,659	40,295	17,848	27,660
2014	7,221	17,852	39,125	17,279	30,510
2034	8,519	17,590	40,200	17,004	39,939
2039	8,843	17,525	40,468	16,936	42,296

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

95. It is then necessary to extrapolate from this district-level data an estimate of the corresponding change in the age structure of the population on the Hoe. To do so, the percentage increase expected for each group across Plymouth, derived from the data presented above is mapped to the population of The Hoe. The results of this calculation are given in **Error! Reference source not found.** below. As expected at the district level too, households aged 65 and over are likely to expand, and households aged 24 and younger are also expected to see a rise in numbers. The growth rate of households between the ages of 24 and 64 is likely to stagnate, dropping marginally, if at all.

Table 5. 11: Projected distribution of households by age of HRP, The Hoe

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	146	326	441	242	403
2014	158	346	428	234	445
2034	187	340	440	231	582

Source: AECOM Calculation

96. Table 5.12 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Plymouth by the end of the plan period. This is the same data presented in Figure 5.9 above, but with fewer age band groupings used.

Table 5.12: Age of household reference person to size, grouped, Plymouth City Council, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	26.7%	19.3%	11.5%	13.0%	17.3%

2 bedrooms	36.7%	39.3%	24.3%	26.5%	31.7%
3 bedrooms	13.8%	34.0%	46.3%	45.0%	41.5%
4 bedrooms	6.7%	5.1%	13.9%	12.4%	7.8%
5+ bedrooms	16.0%	2.3%	4.0%	3.2%	1.8%

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

97. Finally, having established the likelihood shown by households at different life-stages to occupy dwellings of different sizes, and the approximate number of households in Plymouth City Council and The Hoe falling into each of these stages by the end of the Plan period in 2034, it is possible to estimate how The Hoe's housing stock should evolve in terms of size over the Neighbourhood Plan period in response to demographic change. It is important keep in mind with this exercise that it does not take account of The Hoe's role within the wider Plymouth housing market area. Some neighbourhoods may provide a certain mix of housing that contributes to choice in the housing market area as a whole. Nevertheless, where strong biases exist in the stock at the neighbourhood area it may be desirable to widen choice. These decisions are about striking the right balance between different objectives, both at the neighbourhood and market area geographies.

98. Table 5.13 below takes in turn each projected age group in 2034, 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. As per the table, there appears to be a greater need for three-bedroom dwellings on the Hoe. Unlike Plymouth, where the most common dwelling is a three-bedroom dwelling, The Hoe has a higher percentage of people living in one-two bedroom homes and has a small supply of three-bedroom dwellings.

Table 5.13: Ideal size distribution on the Hoe at the end of plan period, according to household life-stages

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop	187	340	440	231	582	**-**
1 bedroom	50	66	51	30	100	**296**
2 bedrooms	69	134	107	61	184	**555**
3 bedrooms	26	116	204	104	241	**690**
4 bedrooms	13	17	61	29	45	**165**
5+ bedrooms	30	8	18	7	10	**73**

Source: Census 2011, AECOM Calculations

99. It is possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5.13 above.

100. Table 5.14 below indicates that, by 2034, the size distribution of dwellings on the Hoe might be more focused on delivering three-bedroom homes than it is currently, with the proportions of homes with three –and to a smaller extent, four—bedrooms needing to increase based on demographic changes and the proportions of homes with one or two bedrooms are expected to be in lower demand. Demand for one-bedroom homes is expected to drop on the basis of the demographic projections. While the decrease in demand for two-bedroom homes is still palpable, despite being less drastic.

101. It is worth noting that the magnitude of these changes has as much to do with The Hoe's relatively unique dwelling mix in terms of size, as with expected demographic change. To a degree, the 'ideal' mix in 2034 seeks to recalibrate existing imbalances, such as the limited number of 3 bedroom homes, which tend to be the most common dwelling size in other locations.

Table 5.14: Likely dwelling size distribution on the Hoe by the end of the Plan period, based on modelled household life-stages

Number of bedrooms	2011		2034	
1 bedroom	706	45.3%	296	16.7%
2 bedrooms	660	42.4%	555	31.2%
3 bedrooms	104	6.7%	690	38.8%
4 bedrooms	44	2.8%	165	9.3%
5 or more bedrooms	37	2.4%	73	4.1%
Total households	**1,558**	**100.0%**	**1,780**	**100.0%**

Source: Census 2011, AECOM Calculations

102. Table 5.15 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.

103. Note that the changes to the housing mix given below above for one- and two-bedroom dwellings is zero, whilst the recommended split for three-bedroom homes is set at 78.9%. Here it is important to emphasise again that the results of the model are skewed by the fact that The Hoe is a highly urban space with very different characteristics from the wider area. The need for far more 3 bedroom homes is driven by data on

occupation patterns among people living across the Plymouth area, and the fact that these are in particularly low supply on the Hoe. While this imbalance could be addressed, doing so at the expense of providing any further small homes at all is not advisable. There is need for flexibility to accommodate the kinds of sites and topography present in the area.

104. The key message emerging from this exercise is simply that The Hoe has an abundance of smaller dwellings, so to best accommodate the future population a higher supply of mid-sized homes is called for, and greater diversity in the dwelling mix would be beneficial and may encourage more family households with children to stay within or move to the area. If this is an objective of the neighbourhood group it will be need to be considered in the context of the wider Plymouth housing market area.

Table 5.15: Future potential misalignments of supply and demand for housing, The Hoe area

Number of bedrooms	2011	2034	Change to housing mix	Recommended split
1 bedroom	706	296	-410	0.0%
2 bedrooms	660	555	-105	0.0%
3 bedrooms	104	690	586	78.9%
4 bedrooms	44	165	121	16.3%
5 or more bedrooms	37	73	36	4.8%

Source: AECOM Calculations

105. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with one-or two-bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants. There may also be good reasons to deliver smaller dwellings properties in the NA as part of a housing mix strategy in the district.

5.7 Conclusions -- Type and Size

106. 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 required for The Hoe 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 Local Planning Authority strategies) and site-specific factors which may justify a particular dwelling mix.

107. In terms of existing stock of housing, the data shows that The Hoe has a large percentage of flats—more than double than that of Plymouth and England. However, the percentage of both semi-detached and terraced houses is much lower than both the comparator geographies, and the near total absence of detached housing is a key area of divergence.

108. The housing stock on the Hoe is characterised by generally smaller dwellings than that of Plymouth, with only 5.4% of homes having seven or more rooms, compared with 17.6% in Plymouth. The Hoe area has a total of 91.4% flats, compared to only 21.8% in Plymouth.

109. Linked to the large number of flats, 87.7% of all dwellings on the Hoe have one or two bedrooms—this is the most common type of dwelling in the neighborhood plan area. As per the 2011 Census, only 37 dwellings had 5 bedrooms or more, while 1,336 dwellings had either one or two bedrooms.

110. When looking at the homes delivered between 2001 and 2011, The Hoe's size mix fluctuations indicate a steady trend—three and four room dwellings appeared to be on the rise, whereas larger homes steadily declined.

111. In terms of demographics, The Hoe has a significantly higher percentage of people aged 25-44 than both wider geographies, and a lower percentage of people aged 0-15. While The Hoe's proportion of those aged 65-84 and 85 and over is only marginally greater than wider Plymouth, there is a large cohort of people in the

age group likely to enter retirement age over the Plan period (or to have already done so since the last Census). While The Hoe may not have experienced an ageing of the population to the same extent as Plymouth and England in recent years, that trend can be expected to accelerate going forward.

112. In terms of household composition, The Hoe's population saw a significant demographic change in the form of a declining percentage of people aged 65 and over—one person households comprising of this group declined by 23.7% whilst one family households comprising the same decreased by 9.8%. The Hoe's population of other household types (such as multi-family and shared households) increased by nearly 65.4%, which is much faster than in the district and England.

113. Given The Hoe's comparatively large stock of one and two room dwellings, the expected acceleration in the ageing of the population and the high proportion of families with no children point toward a need for a more balanced mix of dwellings and less emphasis on one and two room flats.

114. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The data shows that three-bedroom dwellings seem to be most common dwelling size for 11 of the 14 age bands considered—being the most popular for residents between the ages of 35 and 64. This data, compounded with information regarding an aging population, predicts the need for more three-bedroom housing. The recommended size mix of new housing focuses on dwellings of three-bedrooms, with very few to none one-two bedroom homes required on the basis of demographic change.

115. 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 smaller dwellings. The provision of smaller 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, seeking a greater proportion of moderate and larger homes could widen choice at the local level.

6. RQ 3: Specialist housing for older people

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

6.1 Introduction

1. This chapter considers in detail the specialist housing needs for older and disabled people on the Hoe. It considers the quantity, tenure and size of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the '3rd age' – where people are healthy and active and may or may not continue to work and the '4th age' – where older people need care and support to meet their health needs. These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.

2. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.

3. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.

4. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

5. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings). Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule- clear differentiation between the two has not been set in government policy.

6. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

6.2 Housing for Older People – Context

116. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.

117. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many moves as rest of population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a life time of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a in deciding to move to a home with significantly fewer rooms.

118. The concept of 'rightsizing' (formally referred to as downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move with many older people stuck in a 'rightsizing gap'.

119. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.

120. Indeed, 76% of those in homes of three or more bedrooms wished to rightsize, and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both. However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes, with Demos suggesting that, "the chronic under-supply of appropriate housing for older people is the UK's next housing crisis", and local authorities are often, "accused of reluctance to approve development plans for specialist housing….out of fear of increased care costs". Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do is likely to be relatively low, and many who downsize may move into mainstream housing.

121. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population on the Hoe affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.

122. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.

123. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG adopts the following planning approach:

    a) Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
        1. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
        2. M4(2) Category 2: Accessible and adaptable dwellings
        3. M4(3) Category 3: Wheelchair user dwellings

b) Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site-specific factors.

124. In the case of The Hoe, this HNA, together with any local housing survey conducted will form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two main types of specialist housing for older people - sheltered housing and extra care (see Appendix B for definitions).

125. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels. This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector as well as changing aspirations and expectations amongst older people today in comparison with previous generations.

126. Local planning authorities can plan for older co-housing communities through their implementation of the Self-build and custom-build legislation 2015, as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.

127. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

6.3 Approach

128. In accordance with NPPF guidance, this chapter applies a three-stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Plymouth.

129. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that most older people currently choose to continue to live in their homes for their entire lives.

130. The charity Age UK suggests that "inaccessible housing should not force anyone out of their home or local community against their wishes. It's much better to have 'pull factors' that attract older people towards housing alternatives." By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

6.3.1 Tenure-led projections

131. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Plymouth, as this is the smallest geography for which tenure by age bracket data is available. The age cohort-based approach is taken because it is these households which, over the next 20 years, will be reaching the age of 75+, where the need for specialist housing provision is more likely. The existing tenure split within this cohort is used to project forward the need for specialist housing according to different tenure.

132. The projection is based on the premise that those currently occupying their own home will also wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented accommodation of some kind.

133. According to Table 6.2 below, 72.8% of households aged 55-75 owned their own homes, while 27.2% rented their homes. In terms of ownership options, a larger percentage of residents (50%) owned their homes outright. The most common tenure option for those renting their homes was social rent. These

households can be expected to want to continue living in the same tenure they currently occupy if they are to require specialist housing in older age.

Table 6.2: Tenure of households aged 55-75 in Plymouth, 2011

All owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
72.8%	50.0%	22.7%	**27.2%**	18.5%	7.7%	1.0%

Source: Census 2011

134. The next step is to project how the overall number of older people on the Hoe is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Plymouth at the end of the Plan period. The figure must be extrapolated from the LPA data because such projections are not available at neighbourhood level. The results are set out in Table 6.3 below.

135. This calculation indicates that residents aged 75 and above will make up 16.3% of the population by 2034. This is higher than the percentage of older people within the population of Plymouth in 2034. For The Hoe, this is a growth of 5.4%, as compared to the overall growth rate for Plymouth, that is, 3.8%.

Table 6.3: Modelled projection of elderly population on the Hoe by end of Plan period

Age group	2011		2034	
	The Hoe area (Census)	Plymouth (Census)	The Hoe area (AECOM Calculation)	Plymouth (ONS SNPP 2014)
All ages	1,426	256,384	1,521	273,544
75+	156	19,716	248	31,330
%	10.9%	7.7%	16.3%	11.5%

Source: ONS SNPP 2016, AECOM Calculations

136. The results of this exercise provide us with a projection of the number of people on the Hoe living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by multiplying the projected number of people aged 75 and over by the end of the Plan period by the tenure split for Plymouth presented in Table 6.3 above and is set out in Table 6.4 below.

137. A key assumption made here is that, for the purposes of determining the proportion of households aged 75+ falling into different tenures in 2034, and consequently the number of specialist units they might need, the growth in the overall population of those aged 75 is used. To determine the growth over the period, we are required to subtract the current population (156) from the projected population (248)—this leaves us with an anticipated growth figure of 96. The projected tenure split as a product of this growth is presented in Table 6.4 below:

Table 6.4: Projected tenure of households aged 75+ on the Hoe to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
70	**48**	**22**	**26**	**18**	**7**	**1**

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

138. The population figures in Table 6-4 above are then translated into households, as set out in Table 7 5 below. The translation factor used was 1.39 persons per household, which was the rate in Plymouth for people aged over 75 in the Census 2011.

Table 6-5: Projected tenure by household aged 75+ on the Hoe by the end of the plan period

Owned	Owned outright	Owned with a mortgage or loan or	All Rented	Social rented	Private rented	Living rent free

		Shared Ownership				
50	35	16	19	13	5	1

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

139. Next the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ on the Hoe. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).

140. Note that since The Hoe is not a parish, we used the sum of the two MSOAs that The Hoe falls within for this calculation. Thus, the values might be slightly different.

141. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social or affordable rented sector.

Table 6.5: Projected tenure by household aged 75+ in the NA by the end of the plan period

Tenure	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
All categories: Tenure	**32.10%**	**28.70%**	**39.20%**
Owned or shared ownership: Total	**24.30%**	**27.50%**	**48.20%**
Owned: Owned outright	23.70%	27.90%	48.40%
Owned: Owned with a mortgage or loan or shared ownership	27.40%	25.30%	47.30%
Rented or living rent free: Total	**38.50%**	**29.70%**	**31.70%**
Rented: Social rented	40.40%	30.20%	29.40%
Rented: Private rented or living rent free	32.70%	28.30%	38.90%

Source: DC3408EW Health status

142. Focusing on those whose activities are limited a lot, the calculations suggest that of the 38.5% renters and 24.3% owners on the Hoe in this age group, there could be a need for 39 new specialist homes in total.

143. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6.6: AECOM estimate of specialist housing need on the Hoe by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.	**19**
	7	12	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.	**20**
	6	14	
Total	**13**	**26**	**39**

Source: Census 2011, AECOM Calculations

144. The number of households estimated to be falling into potential need for specialist accommodation is therefore 39.

6.3.2 Housing LIN-recommended provision

145. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the respected models for planning for the housing needs of older people. In Table 6.7 below we reproduce the key table from their Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 6.7: Recommended provision of specialist housing for older people from the SHOP toolkit

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

146. As Table 6.8 shows, The Hoe is forecast to experience a growth of 96 people aged over 75 by the end of the Plan Period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = 60 x [96/1000] = 5.76
- Leasehold sheltered housing = 120 x [96/1000] = 11.52
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x [96/1000] = 1.920
- Extra care housing for rent = 15 x [96/1000] = 1.44
- Extra care housing for sale = 30 x [96/1000] = 2.88
- Housing based provision for dementia = 6 x [96/1000] = 0.58

147. This produces an overall total of 24 specialist dwellings which might be required by the end of the plan period. Since there are no specialist accommodation services on the Hoe, this figure provides an estimate as to the number of these types of properties that might be required. However, it does not take account of any supply outside of The Hoe which households might be able to access. A new extra care facility is under construction just outside the neighbourhood area at Millbay. Mayflower Court is due for completion in 2020 and will provide 80 extra care apartments. Furthermore, it assumes that older households with support needs are accommodated in specialist housing, rather than within their own homes through adaptations or visiting carers for example. These are factors which need to be considered and balanced at the neighbourhood and local authority level. However, these estimates do emphasise the growing need for housing with care or support, however this need is met.

148. Table 6.8 below sets out the HLIN recommendations in the same format as Table 6.7 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population.

Table 6.8: HLIN estimate of specialist housing need on the Hoe by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	**7**
	3	4	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	**17**
	6	11	
Total	**9**	**15**	**24**

Source: Housing LIN, AECOM calculations

6.4 Conclusions- Specialist Housing for the Older People

149. As per the 2011 Census, 72.8% of households aged 55-75 owned their own homes, while 27.2% rented their homes. In terms of ownership options, a larger percentage of residents (50%) owned their homes outright. The most common tenure option for those renting their homes was social rent. These households can be expected to want to continue living in the same tenure they currently occupy if they are to require specialist housing in older age.

150. By extrapolating from the ONS Sub-National Population Projections for Plymouth at the end of the Plan period, we determined the percentage of older people within the population of The Hoe in 2034. At 16.3%, this is higher than the percentage for Plymouth, indicating The Hoe's ageing population would likely require specialist accommodation in the future.

151. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social rented sector. We used data on mobility restrictions to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group. Focusing on those whose activities are limited a lot, the calculations suggest that of the 38.5% renters and 24.3% owners on the Hoe in this age group, there could be a need for 39 new specialist homes in total.

152. As per the data presented in this section, there are two projections for the number of specialist dwellings that should be provided on the Hoe—while our research estimated the number of households falling into potential need of specialist accommodation to be 39, the HLIN tool provides a value of 24. This gives a range of between 24-39 households who might need housing with care on the Hoe over the plan period. It is relevant to note that a new extra care facility at Millbay, known as Mayflower Court and due for completion in 2020 will provide 80 extra care apartments. This has the capacity to meet the needs likely to arise on the Hoe, though it is likely that it will serve a wider population across the City as well.

153. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

    - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
    - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
    - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

154. It is considered that The Hoe is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from The Hoe in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

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

7. Conclusions

7.1 Overview

7. Table 7.1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7.1: Summary of study findings specific to The Hoe area with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	The majority of households on the Hoe live in the private rented sector (53.3%). This proportion is higher than Plymouth (20.2%) and England (16.8%) as a whole. The proportion of residents that own their own homes is relatively low—only 29.6% of people own their own homes, which is lower than both the district (58.7%) and national (63.3%) total. Furthermore, 15.8% of households live in socially rented houses, as compared to 19.3% in Plymouth and 17.7% in England. Just 0.2% of households live in shared ownership homes. In terms of house prices, prices on the Hoe have declined over the last 10 years. Although mean average house prices increased by 11% over the period, median average prices decreased by 11%. Lower quartile prices declined by 3% over the period. The price of an average (mean) property in the NA was £157,134 at the end of 2019. At the end of 2019, a lower quartile (entry level) property was priced at £114,500. The income required to buy an entry-level market home for sale (£29,443) is lower than that available to households on average incomes (£30,550), making it affordable to these households. The income required to afford an entry-level home for sale is higher than that is available to those on lower quartile household earnings (£15,054), unless two household members may be earning. higher than that available to households on average incomes, as well as to those on lower quartile household earnings (£15,054), unless two household members may be earning. Entry level market rents require households to have incomes of around £34,464. Market renting is thus inaccessible to those on average incomes as well as to lower quartile income households, even where two members might be earning.	This HNA suggests there is need for affordable housing products in the NA. The Hoe area is unusual because the cost of home ownership (entry level prices) is similar to the cost of private rents. This calls into question the value of affordable home ownership products in this area. Typically, these products are aimed at households who can afford to rent in the market but cannot afford to access home ownership. Their purpose is to extend home ownership to households who cannot afford to buy. However, there may also be a contingent of people in affordable housing who cannot afford to buy or rent on the open market, but who could afford affordable home ownership products. Looking purely at the current balance between tenures on the Hoe, there appears to be scope to diversify the housing offer away from private renting towards greater provision of both social rent and, to a greater degree, home ownership. With affordability being a challenge in the area, discounted market sale eg First Homes, shared ownership and other affordable routes to home ownership might both widen the offering themselves and provide the function of a stepping stone to home ownership. While affordable home ownership products would be affordable to those on average incomes, individuals on LQ earnings are likely to need subsidy in the form of housing benefit to access either social or affordable rented homes in the neighbourhood area. However, this assumes that these products can be developed at average house prices which may be unviable given build costs. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in the Hoe based on the evidence other considerations. Mix 1 (indicative mix based on local needs) proposes that 33% of affordable homes be provided as rented tenures, and the remaining 67% delivered as affordable routes to home ownership. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 8% of affordable homes be provided as shared ownership, with the remaining 25% as First Homes.

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	The housing stock on the Hoe is characterised by generally smaller dwellings than that of Plymouth, with only 5.4% of homes having seven or more rooms, compared with 17.6% in Plymouth. The Hoe area has a total of 91.4% flats, compared to only 21.8% in Plymouth. Linked to the large number of flats, 87.7% of all dwellings on the Hoe have one or two bedrooms—this is the most common type of dwelling in the neighborhood plan area. As per the 2011 Census, only 37 dwellings had 5 bedrooms or more, while 1336 dwellings had either one or two bedrooms. In terms of existing stock of housing, the data shows that The Hoe area has a large percentage of flats—more than double than that of Plymouth and England. However, the percentage of both semi-detached and terraced houses is much lower than both the comparator geographies, and the near total absence of detached housing is a key area of divergence. In terms of demographics, The Hoe area has a significantly higher percentage of people aged 25-44 than both wider geographies, and a lower percentage of people aged 0-15. While The Hoe area's proportion of those aged 65-84 and 85 and over is only marginally greater than wider Plymouth, there is a large cohort of people in the age group likely to enter retirement age over the Plan period (or to have already done so since the last Census). While the Hoe area may not have experienced an ageing of the population to the same extent as Plymouth and England in recent years, that trend can be expected to accelerate going forward. In terms of household composition, The Hoe area's population saw a significant demographic change in the form of a declining percentage of people aged 65 and over—one person households comprising of this group declined by 23.7% whilst one family households comprising the same decreased by 9.8%. The Hoe area's population of other household types (such as multi-family and shared households) increased by nearly 65.4%, which is much faster than in the district and England.	Our 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 required for The Hoe area 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 Local Planning Authority strategies) and site-specific factors which may justify a particular dwelling mix In terms of household composition, The Hoe area's population saw a significant demographic change in the form of a declining percentage of people aged 65 and over—one person households comprising of this group declined by 23.7% whilst one family households comprising the same decreased by 9.8%. The Hoe area's population of other household types (such as multi-family and shared households) increased by nearly 65.4%, which is much faster than in the district and England. Given The Hoe area's comparatively large stock of one and two room dwellings, the expected acceleration in the ageing of the population and the high proportion of families with no children point toward a need for a more balanced mix of dwellings and less emphasis on one and two room flats. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The data shows that three-bedroom dwellings seem to be most common dwelling size for 11 of the 14 age bands considered—being the most popular for residents between the ages of 35 and 64. This data, compounded with information regarding an aging population, predicts the need for more three-bedroom housing. The recommended size mix of new housing focuses on dwellings of three-bedrooms, with very few to none one-two bedroom homes required.

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist Housing for Older People	As per the 2011 Census, 72.8% of households aged 55-75 owned their own homes, while 27.2% rented their homes. In terms of ownership options, a larger percentage of residents (50%) owned their homes outright. The most common tenure option for those renting their homes was social rent. These households can be expected to want to continue living in the same tenure they currently occupy if they are to require specialist housing in older age. By extrapolating from the ONS Sub-National Population Projections for Plymouth at the end of the Plan period, we determined the percentage of older people within the population of The Hoe area in 2034. At 16.3%, this is higher than the percentage for Plymouth, indicating The Hoe area's aging population would likely require specialist accommodation in the future.	The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social rented sector. We used data on mobility restrictions to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group. Focusing on those whose activities are limited a lot, the calculations suggest that of the 38.5% renters and 24.3% owners on the Hoe in this age group, there could be a need for 39 new specialist homes in total. While our research estimated the number of households falling into potential need of specialist accommodation to be 39, the HLIN tool provides a value of 24. Thus, our recommendation would be to treat the outcome of these approaches as a range, with at least 24 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 39 dwellings functioning as an upper, more aspirational target, to be provided if other constraints allow.

7.2 Recommendations for next steps

8. This Neighbourhood Plan housing needs assessment aims to provide The Hoe area 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 Plymouth City Council 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 Plymouth City Council – 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 characterises of suitable land, and any capacity work carried out by Plymouth City Council, 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 Plymouth City Council and the neighbourhood plan areas within it.

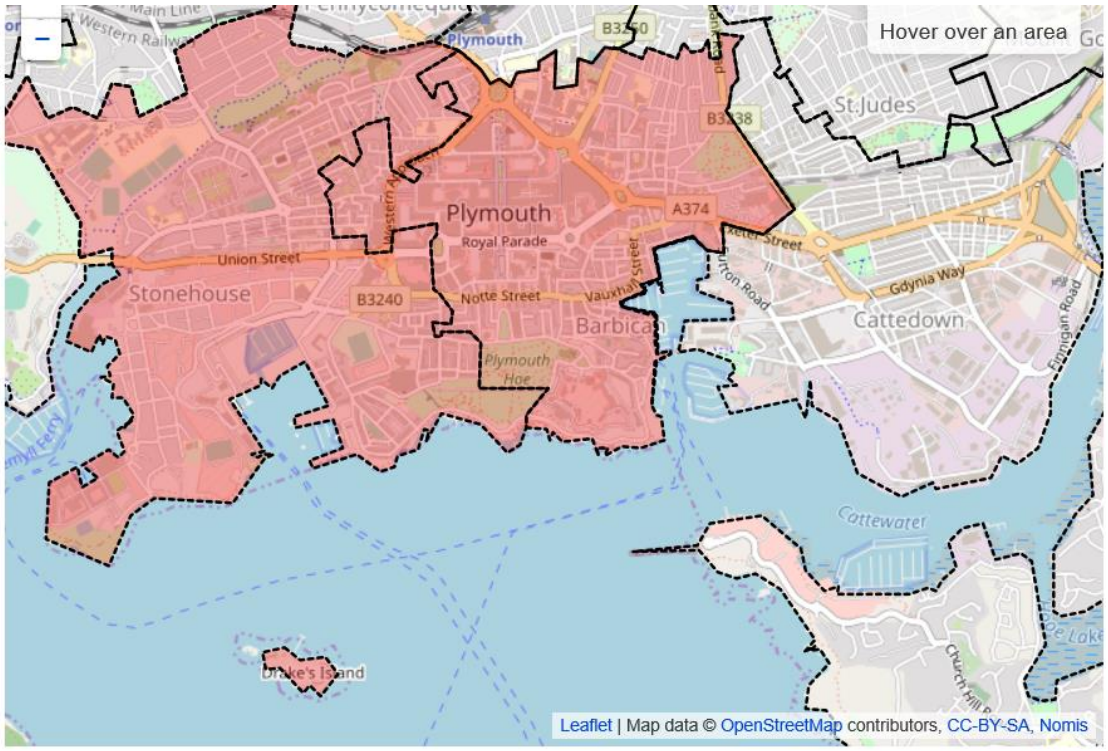
9. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
10. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Plymouth City Council, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
11. At the same time, monitoring on-going demographic or other trends over the Neighbourhood plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

1. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan Area. Such data is available at MSOA level but not on the level of neighbourhood plan areas.
2. 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 The Hoe area, it is considered that MSOAs E02003148 and E02003150 are 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 the selected areas appears below in Figure 7.1.

Figure 7.1: MSOAs E02003148 and E02003150 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market Housing

3. 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.
4. 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.
5. 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.
6. 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

7. 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.
8. 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 The Hoe area. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
9. 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. The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.
10. The calculation is therefore:

    - Value of an 'entry level dwelling' = £114,500
    - Purchase deposit = £114,500 @10% of value; £11,450
    - Value of dwelling for mortgage purposes = £103,050
    - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
    - **Purchase threshold** = £29,443

ii) Private Rented Sector

11. 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.
12. 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, such a home would require three habitable rooms (a flat or house with two bedrooms).
13. 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 PL1 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.
14. According to home.co.uk, there are 181 two-bed properties currently listed for rent across PL1, with an average price of £718 per calendar month.
15. 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 = £718 x 12 = £8616;
    - Multiplied by 4 (so that no more than 25% of income is spent on rent) = £34,464;
    - **Income threshold (private rental sector) = £34,464.**

16. The NPPF 2018 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.

A.3 Affordable Housing

17. 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.

18. 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.

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

i) Social Rent

20. 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.

21. 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 The Hoe area. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Plymouth in the table below.

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

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£64	£75	£84	£97	£76
Annual average	£3,303	£3,911	£4,351	£5,033	£3,968
Income needed	£13,210	£15,646	£17,405	£20,132	£15,873

Source: HCA, AECOM Calculations

ii) Affordable rent

156. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent on the Hoe is £8,616, in the event of a 20% reduction in rent to £6,893, the income threshold would reduce to an estimated £27,571. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are 50-60% of market levels rather than 80%.

iii) Intermediate Tenures

157. 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

158. 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”.

159. 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.

160. Applying a discount of 20% provides an approximate selling price of £102,000 (20% discount on median average prices of £127,500). Allowing for a 10% deposit further reduces the value of the property to £ £91,800. The income threshold at a loan to income ratio of 3.5 is £26,229.

161. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 20% they may not offer any discount on entry level prices.

162. The Government is consulting on proposals to introduce First Homes which would provide a minimum discount of 30% on new market homes for eligible households.

Shared Ownership

163. 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.

164. 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.

165. To determine the affordability of shared ownership, calculations are based on the median house price of £127,500. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).

166. A 25% equity share of £127,500 is £31,875, from which a 10% deposit of £3,188 is deducted. The mortgage value of £28,688 (£31,875 - £3,188) is then divided by 3.5. To secure a mortgage of £28,688, an annual income of £8,196 (£28,688/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £95,625. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £2,391 and requires an income of £9,563 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around £17,759 (£8,196 + £9,563) 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 £22,768 and £27,777 respectively.

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) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) 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.

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

Affordable rented housing

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

Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods .

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard

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 Order

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)

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their

adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

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

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing

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 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.