Danbury
Housing Needs Assessment (HNA)

Quality information

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Revision History

Revision	Revision date	Details	Authorized	Position
1	31/01/2020	First draft	Jessica Cooke	Graduate Planner
2	03/02/2020	Internal review	Paul Avery	Housing Research Consultant
3	24/02/2020	Group review	Stephen Holland	Steering Group Member
4	02/03/20 20	Locality review	John Wilkinson	Neighbourhood Planning Officer
5	03/03/2020	Final report	Paul Avery	Housing Research Consultant

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Disclaimer

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 It is a 'snapshot' in time and may become superseded by more recent information.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 If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage.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

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
HNA	Housing Needs Assessment
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
CLP	Chelmsford Local Plan
LPA	Local Planning Authority
LTHPD	Long-Term Health Problem or Disability
DNP	Danbury Neighbourhood Plan
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SG	Danbury Neighbourhood Plan Steering Group
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency
CC	Chelmsford Council

1. Executive Summary

1.1 Tenure and Affordability

1. Danbury is characterised by a relatively high proportion of home ownership, as opposed to private and social renting, when compared with Chelmsford and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case.

2. In the Danbury Survey, 95% of responses approve of the housing development vision, which states as a priority to provide suitable housing at less than the market value, indicating that most people agree market housing is widely unaffordable for the local population.

3. Indeed, the annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is double the average net household income in Danbury and just over three quarters the lower quartile gross income of a single-earner.

4. Private renting is comparatively uncommon in Danbury, despite rising significantly between 2001 and 2011 (as did shared ownership, from a low base). At the same time, the number of properties available for social rent declined by 6% as occupiers of such accommodation made purchases through the Right to Buy program.

5. Given that social and affordable rent are the only secure tenures within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social or affordable rented dwellings is the principle affordability challenge for Danbury residents.

6. To ensure that other households on lower than average incomes can afford to continue living in Danbury and that the high number of overcrowded households[1] can have the opportunity to form their own independent households, it will also be important to increase the quantity of affordable routes to home ownership[2] – especially if reforms to welfare including housing benefit are implemented in the coming years. That said, it appears that only shared ownership at a 25% share is affordable to most people.

7. Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Danbury, expressed in the adopted Core Strategy and emerging Local Plan is that 35% of new housing on developments providing 11 dwellings or more will be affordable.

8. Of the indicative figure of around 100 dwellings proposed for Danbury 35 dwellings are likely to be affordable on the basis of that policy requirement. This figure is lower than the 51 households that are projected to be in need of Affordable Housing to rent over the same period and the 95 households projected to be in need of Affordable Housing for sale. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not meet the requirement of providing 11 or more dwellings and so the number of Affordable Housing units will be lower still.

9. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 35% delivery requirement is met wherever possible in Danbury. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites (explicitly supported by the emerging Local Plan Policy HO2) or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.

10. It is difficult to exceed the Local Plan affordable housing policy requirement in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of a HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

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[1] See glossary, page 55 for definition.

[2] Such as shared ownership and discounted market housing.

11.   Of the 35% Affordable Housing units to be delivered in Danbury, it is recommended that approximately 64% be offered as social or affordable rent, with the emphasis on social rent and the remaining 36% delivered as affordable routes to home ownership, with the emphasis on shared ownership as opposed to discounted market housing (which is not affordable in this area).

12.   However, it should be noted that in the Danbury Survey, when asked their preferred means of obtaining a new home, 98% selected home ownership and 75% selected shared ownership. Council housing and private rented/ social rented were considered unsuitable. This does not mean these tenures should not be provided at all. It does, however, point to a need to further assess demand for this product when planning for new development. This should not however, outweigh the demonstrated need for this tenure.

13.   The need to improve affordability in Danbury across all tenures aligns with the findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

1.2   Type and Size

14.   Danbury's stock of existing housing is characterized by significantly higher proportions of detached houses and homes with 7 or more rooms than Chelmsford or England. Large properties also experienced the greatest level of growth between 2001 and 2011 among all home sizes.

15.   Bungalows represent a higher proportion of all housing in Danbury compared to the situation across Chelmsford as a whole, and national wide housing stock (15% of all homes in Danbury, compared with 9% in Chelmsford and 10% nationally).

16.   The age profile of the Danbury population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84 – a group that is likely to reach retirement age over the Plan period to 2034 and will become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.

17.   It will therefore be important that new development prioritise housing that is appropriate both to families with children and older households. The needs and financial capabilities of both these groups do overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary. In the context of Danbury's unusual stock of large housing, an appropriate response would be to prioritise the supply of smaller or mid-sized dwellings.

18.   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 recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed.

19.   This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the community wish to influence the size mix of housing coming forward, smaller homes should be the priority.

20.   That said, respondents to the Danbury Survey indicated a broadly similar preference for 2- and 3-bedroom homes to the result of the modelling exercise and the indicative housing mix set out in the CCC draft Plan. This is a further reason for flexibility in planning for the size mix of new homes, and may justify a reduction in the proportion of 1-bedroom homes that should be planned for.

21.   In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the affordable rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in Danbury, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.

22. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with District and national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and particularly apartments. The size recommendation for smaller homes would align with this, this would also broadly align with the survey results (shown in Figure 5-4).This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like Danbury.

23. Bungalows do not appear to be undersupplied in comparison to the District and national trend, but they were close behind houses overall as the preferred type of dwelling among respondents to the Danbury Survey. The analysis of an ageing population suggests that a relatively high proportion of households can be expected to experience some form of mobility limitation by the end of the Plan period. To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible.

2. Context

2.1 Local context

24. Danbury is a Neighbourhood Plan area located in Chelmsford. The Neighbourhood Area (NA) boundary is synonymous with the parish boundary.

25. The proposed Neighbourhood Plan period is 2021 -2036, therefore comprising a Plan period of 15 years, and mirroring the end date of the emerging Chelmsford Local Plan.

26. Danbury is located on the eastern edge of Chelmsford District, approximately 6 miles from Chelmsford city. The city is accessed via the A414 and is also where the nearest train station is located. Danbury is significantly environmentally constrained, with three Sites of Special Scientific Interest (SSSI) located with the NA, yet Chelmsford District has high development pressures due to its location on the edge on London's Green Belt.

27. The statistics show that in the 2011 Census the NA had a total of 5,087 residents.

28. A map of the Plan area appears below in Figure 2-1 below.

Figure 2-1: Map of the Danbury Neighbourhood Plan area[3]
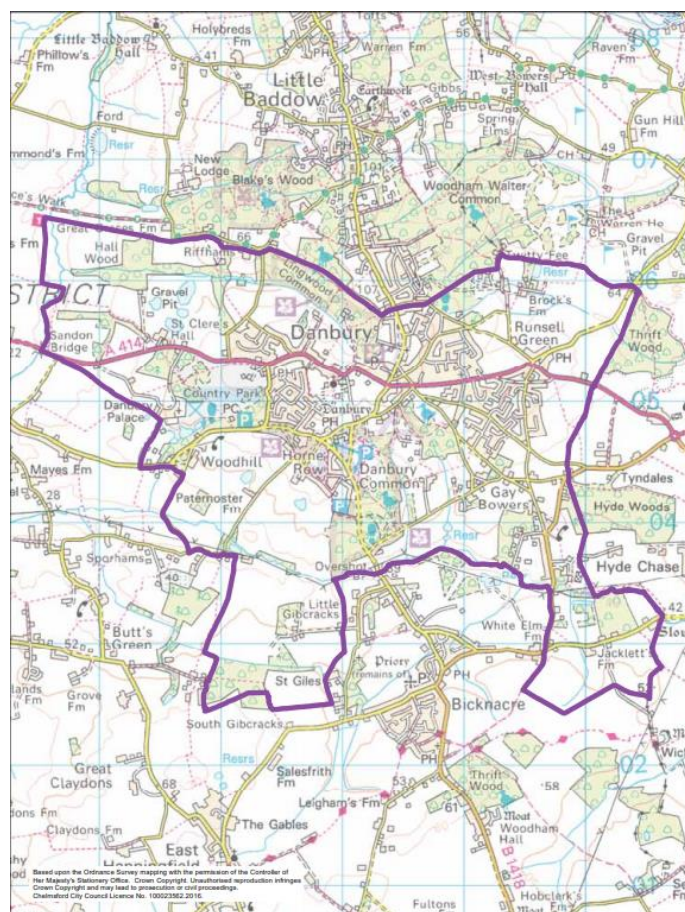
Source: Danbury application to designate a neighbourhood plan area, since approved by CC.

2.2 Planning policy context

29. In line with the Basic Conditions[4] of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required

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[3] Available at https://www.neighbourhoodplanning.swdevon.gov.uk/miltonabbotandkelly

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

to be in general conformity with adopted strategic local policies.[5] Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).

30. In the case of Danbury, the relevant local planning context is as follows:

31. The Core Strategy and Development Control Policies was adopted by Chelmsford Council (CC) on 20th February 2008[6]. It provides a vision of future growth and the opportunity for Chelmsford to bring about positive change, regeneration and invigoration of the Borough's localities and communities.

32. The Core Strategy was reviewed in 2013[7] to ensure it was consistent with the 2012 National Planning Policy Framework.

33. The emerging draft Chelmsford Local Plan (CLP)[8] will supersede the current adopted Plans. It outlines the priorities and long-term vision for Chelmsford and identifies locations for delivering housing and other strategic development needs such as employment, retail, leisure, community and transport development. This Plan was expected to be adopted in December 2018. However, it is currently at Regulation 19 stage, with the draft published in January 2018. As such it should be given significant weight and considered as a material consideration in planning decisions.

2.2.1   Policies in the adopted Core Strategy and Core Strategy Review[9]

Table 2-1: Summary of Chelmsford adopted policies having relevance to the Danbury HNA

Policy	Provisions
CP6 Promoting Urban Renaissance	The Council will promote sustainable urban living through development proposals that support a diverse range of uses where people live, work and enjoy leisure time. The strengthened viability of principle neighbourhood centres (including Danbury) will play a part in delivering this policy.
CP15 Meeting the Housing Needs of Our Communities	New residential development will be expected to provide a proportion of affordable homes and the allocation of rural exception sites for 100% affordable housing for local need will be supported. When considering development proposals, the Council will take into account the latest local housing market conditions, housing needs, the nature, character and context of the site and any specific requirements of the proposal.
DC30 Protecting Existing Housing	The change of use or redevelopment involving the loss of existing housing and all units capable of residential use will not normally be permitted.
DC31 The Provision of Affordable Housing	The Council requires the provision of 35% affordable housing to be provided within all new residential development on sites which have a capacity of 15 or more dwellings, comprise an area of 0.5ha or more or lie within a small rural defined settlement and have a capacity for 5 or more dwellings.
DC32 Rural Housing Need	Affordable housing on small sites within or adjoining small rural defined settlements which would not otherwise be released for housing may be granted planning permission.

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[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.chelmsford.gov.uk/planning-and-building-control/planning-policy-and-new-local-plan/existing-local-plans/

[7] Available at: https://www.chelmsford.gov.uk/planning-and-building-control/planning-policy-and-new-local-plan/existing-local-plans/

[8] Available at: https://www.chelmsford.gov.uk/planning-and-building-control/planning-policy-and-new-local-plan/new-local-plan/

[9] Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question. The policies are conveniently presented at https://plymswdevonplan.co.uk/policy.

Policy	Provisions
DC35 Specialist Residential Accommodation	Proposals for specialist residential accommodation, including elderly and groups that require specialist social support, are supported provided that they are located within main urban areas, within a defined settlement with appropriate facilities and services or as an integral part of a new neighbourhood.
DC36 Accessible and Adaptable Developments	All new developments, and particularly housing, shall promote inclusive design, and ensure that all measures needed to promote accessibility and adaptability are achieved in a visually acceptable manner. This will relate to both facilities needed in the wider public realm and to the individual access arrangements for each building. All new housing developments should seek to meet the Lifetime Homes Standard with a minimum of 3% of new dwellings on developments of 30 dwellings or more built to full wheelchair standards.

2.2.2 Policies in the new draft Chelmsford Local Plan

Table 2-2 Summary of Chelmsford emerging policies having relevance to the Danbury HNA

Policy	Provisions
Strategic Policy S8 – Housing and Employment Requirements	A minimum of 18,515 net new homes at an average annual rate of 805 net new homes per-year should be provided in the period 2013-2036.
Policy HO1- Size and Type of Housing	The Council will protect existing housing from redevelopment to other uses. The policy outlines the requirements for different amounts of type and size of housing in accordance with overall number of dwellings proposed.
Policy HO2 – Affordable Housing and Rural Exception Sites	Developments of 11 dwellings or more or combined floorspace of 1,000 sqm will be required to provide 35% affordable housing. The type and mix of affordable housing must meet the identified housing need. Permission for affordable housing on small sites within designated rural areas which would not otherwise be released for housing in order to meet local need, will often be supported.

2.2.3 Quantity of housing to provide

34. The NPPF 2018 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.

35. Chelmsford has fulfilled that requirement by providing Danbury with an indicative figure of around 100 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.

36. Given that the NPPF requirement for the Local Authority to provide the neighbourhood group with a housing number has already been fulfilled, the question of how many houses to plan for has already been answered. It is therefore outside the scope of this Housing Needs Assessment; for this reason, the issue of quantity has been excluded from the Research Questions (see Chapter 3 below).

3.   Approach

3.1   Research Questions

37.   Research Questions, abbreviated to 'RQs', are formulated at the start of the project through discussion with the neighbourhood planning group. They serve to direct our research and provide the structure for the HNA.

38.   Below we set out the RQs relevant to this study, as discussed and agreed with the Danbury Neighbourhood Plan Steering Group (SG) which is a subcommittee of Danbury Parish Council, who are preparing the Neighbourhood Plan.

3.1.1   Tenure and Affordability

39.   The SG 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.

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

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

3.1.2   Type and Size

41.   Danbury Parish Council is seeking to determine what size and type of housing would be best suited to the local community. This will ensure future development truly reflects what residents need.

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

3.2   Relevant Data

3.2.1   Local authority evidence base

42.   It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Danbury NA is located within Chelmsford's planning area, we therefore turned to the relevant Strategic Housing Market Assessment, which is known as the Braintree, Chelmsford, Colchester, and Tendring Councils Strategic Housing Market Assessment Update (2015)[10] (hereafter abbreviated as the SHMA).

43.   The SHMA is formed of four parts: Part 1 addresses the housing market area and objectively assessed cost and affordability; Part 2 addresses the type and tenure of future housing need; Part 3 addresses the need for Affordable Housing; and Part 4 addresses the requirements of specific groups of the population.

44.   For the purpose of this HNA, data from Chelmsford'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 therefore has been referenced as appropriate.

3.2.2   Other relevant data

45.   In addition to the Chelmsford evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Land Registry data on prices paid for housing within the local market;

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[10] Available at: https://www.chelmsford.gov.uk/planning-and-building-control/planning-policy-and-new-local-plan/new-local-plan/evidence-base/

- 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

- Neighbourhood-level survey and consultation work giving further detail. In the case of Danbury, this comprises a review of responses to a residents' questionnaire published on 21st December 2018. This will be hereafter referred to as the Danbury Survey.

4. RQ 1: Tenure and Affordability

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

4.1 Introduction

46. 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.

47. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.[11]

4.2 Definitions

48. 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]

49. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.

50. The revisions seek to broaden 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.

51. In paragraph 64 of the NPPF, 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*". In line with PPG,[13] the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes discounted market homes, shared ownership homes, and homes available for discount market sale.

4.3 Current tenure profile

52. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area (NA) based on the most recent reliable data. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within the plan area, compared to the rest of Chelmsford and England.

53. As seen at higher level geographies, the vast majority of homes in Danbury are owned. The next most common tenure is social rent, followed distantly by private rent at a rate far below that seen for Chelmsford and England as a whole. This lack of private rented stock may contribute to affordability challenges faced by local people and mean that, due to a lack of this stock, prices of private rented accommodation are higher and may cause an overreliance on the social rented sector or the use of housing benefits in private rented dwellings.

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

[12] NPPF 2019.

[13] PPG 031 Reference ID: 23b-031-20161116, available at https://www.gov.uk/guidance/planning-obligations

Table 4-1: Tenure (households), 2011

Tenure	Danbury	Chelmsford	England
Owned; total	80.1%	73.2%	63.3%
Shared ownership	0.4%	0.6%	0.8%
Social rented; total	12.3%	13.1%	17.7%
Private rented; total	6.0%	12.0%	16.8%

Sources: Census 2011, AECOM Calculations

54. In Table 4-2, we note the changes in the way households have occupied housing in Danbury during the intercensal period. The greatest apparent change occurring in the NA was the increase in shared ownership, however this growth rate is due to a very low starting number, with the total increasing from three to nine. In addition to this, the social rented sector experienced a fairly significant reduction which does not follow the pattern of the district and national figures. This may be due to strong take-up from the Right to Buy program.

55. Another point of note is the large increase in private rented housing, which does match with the district and national levels. However, this is again linked to a relatively small starting figure of 53 dwellings. In any case, the growth of private renting likely points to the declining affordability of home ownership.

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

Tenure	Danbury	Chelmsford	England
Owned; total	-0.1%	1.0%	-0.6%
Shared ownership	200.0%	53.6%	30.0%
Social rented; total	-6.4%	9.2%	-0.9%
Private rented; total	132.1%	120.9%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability

56. Having reviewed both the tenure of the existing housing stock in the Danbury area we now turn to assessing future provision over the Plan period.

57. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

4.4.1 House prices

58. We begin by considering the price of market housing, in particular the costs of entry-level dwellings. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.

59. Figure 4-1 examines selected measures of house prices in Danbury. It shows that house prices in all categories have increased substantially over the 10-year period, despite a slight contraction in 2012. Lower quartile price trends roughly follow those of the median and mean, with a lower degree of volatility.

Figure 4-1: Average house prices Danbury between 2009 and 2018
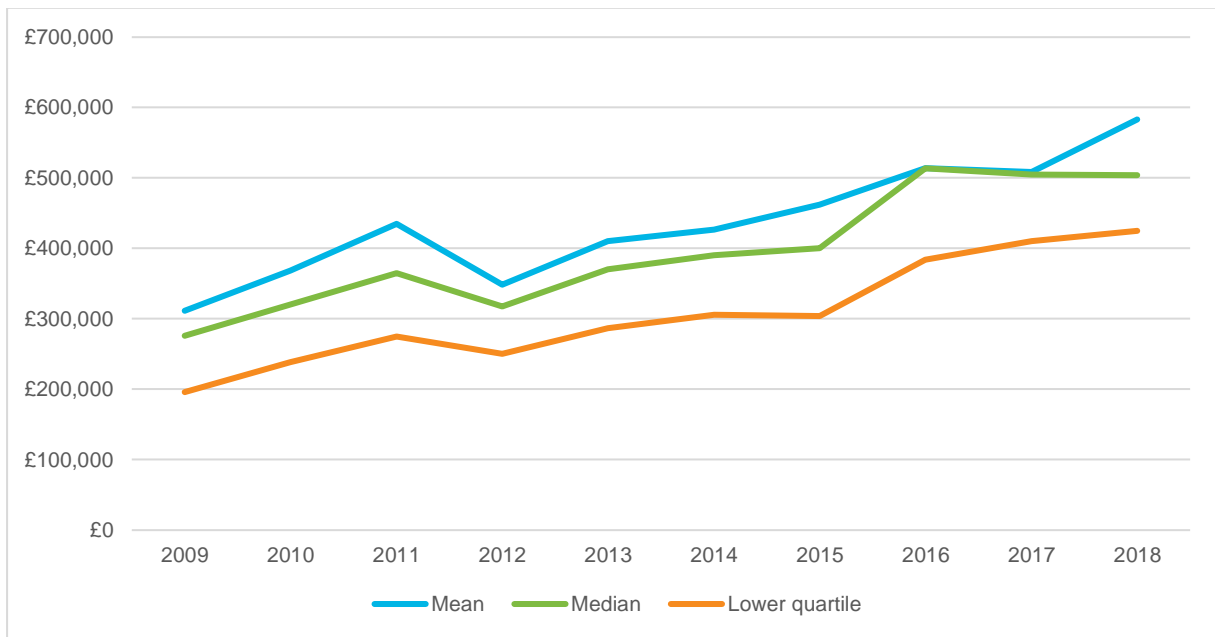
Source: Land Registry PPD

60. Figure 4-2 below, taken from the SHMA, helpfully shows how lower quartile house prices across the Borough have risen out of step with local incomes, which have fluctuated but remained similar over the past decade.

Figure 4-2: Earnings compared with lower quartile prices, Chelmsford
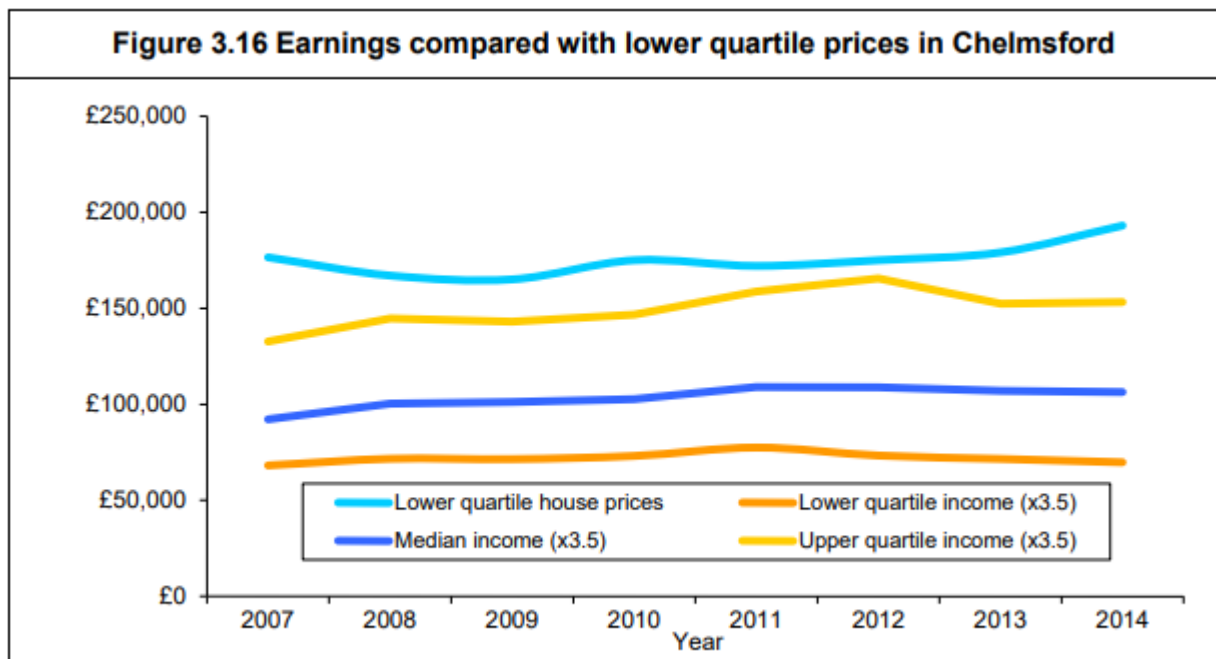
Source: Baintree, Colchester, Chelmsford and Tendring SHMA (2015)

61. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that detached homes are substantially more expensive than other types on average. Although flats appear to have appreciated by the greatest amount over the period, the 2018 average price data upon which that growth rate is based appears to be an anomaly (in both 2009 and 2018) that may be due to a small sample size (there are only 113

flats in Danbury). The price of semi-detached homes, which has nearly tripled over the period, is however a consistent trend that shows just how quickly the affordability of market housing has declined in recent years.

Table 4-3: House prices by type in the Danbury plan area, 2008-2017

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£407,765	£494,087	£501,517	£400,384	£454,886	£479,641	£552,986	£607,487	£585,121	£724,412	**77.7%**
Semi-detached	£185,133	£225,300	£265,499	£274,000	£307,231	£292,200	£337,882	£452,026	£486,000	£504,893	**172.7%**
Terraced	£231,833	£217,070	£203,750	£278,333	£597,569	£397,833	£393,660	£391,999	£455,222	£339,375	**46.4%**
Flats	£51,250	£172,500	£197,500	£287,250	£188,750	£222,750	£176,273	£457,222	£193,333	£368,333	**618.7%**
All Types	**£311,498**	**£368,607**	**£435,030**	**£348,907**	**£410,044**	**£426,449**	**£462,331**	**£513,785**	**£508,522**	**£583,133**	**87.2%**

Source: Land Registry PPD

4.4.2   Income

62. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used two sources of data for household incomes in the NA.

63. The first is locally specific but limited to the average total household income. This is the average household income estimates published by ONS at the level of the Middle-layer Super Output Area (MSOA). In the case of Danbury, the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02004500. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

64. The average total annual household income was £54,600.

65. The second source of data provides the Lower Quartile (LQ) average income that is helpful for understanding affordability challenges among those with lower than average incomes, but it is only available at the District level and so is less locally-specific.

66. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2018 provisional data has been published, the revised 2017 data is considered more robust and is therefore used here.

67. Chelmsford's gross LQ weekly income for 2017 was £294, or approximately £15,309 per year. This is the LQ income before taxes for individual earners but only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, we have doubled the annual income, to £30,618.

4.4.3   Affordability Thresholds

68. 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.

69. We have determined thresholds for: entry-level market purchase; entry-level private rent; shared ownership at 25%, 50%, and 75%; discounted market sale, affordable rent set at 80% of private rents, and estimated social rent levels in Danbury. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These assumptions will not apply in all circumstances, and it is perhaps more realistic to expect that most households will spend a higher percentage than 30% of their incomes on housing costs.

70. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes.[14] New build prices are not available at the neighbourhood level because the number of transactions is too low. However,

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[14] The consultation on this new product is available to read here: https://www.gov.uk/government/consultations/first-homes.

median average prices provide a reasonable proxy for the price of new homes. In Danbury, a 30% discount on average prices would not be sufficient to extend home ownership to households on median incomes, nor would even a 40% discount.

71. Table 4-4 below shows the annual cost of different tenures and the income and deposit required to support these costs within Danbury.

Table 4-4: Affordability thresholds in Danbury (income required)

| Tenure	Cost of purchase	Annual rent	Income required	Deposit required
Entry-level market sale	£425,000	N/A	£109,286	£42,500
Shared ownership (75%)	£286,875	£10,625	£92,589	£28,687
Discounted market sale (20% discount)	£306,000	N/A	£87,429	£30,600
Shared ownership (50%)	£191,250	£21,250	£75,893	£19,125
Shared ownership (25%)	£95,625	£31,875	£59,196	£9,562
Entry-level market rent	N/A	£17,671	£58,845	N/A
Affordable rent	N/A	£8,358	£27,832	N/A
Social rent	N/A	£5,283	£21,131	N/A

Source: AECOM Calculations

72. The income required to afford the different tenures is then benchmarked, in Figure 4-4 below, against the three measurements of household income set out previously. These are the average total household income for the local area at £54,600 and the lower quartile gross household income for Chelmsford at £15,309 for single-person households and £30,618 for dual-earning households.

73. Looking at the affordability thresholds set out above, it is apparent that single-earning households on lower quartile incomes are unable to afford any of the housing tenures under consideration. However, the lower quartile income data is gross, and therefore does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible that many such single-person households would also be able to meet their housing needs in social rented and 1 bedroom dwellings for private rent, which will be cheaper than the 2 bedroom dwellings used here, or rooms in a shared house.

74. For dual-earning households on LQ incomes, only the social rented and affordable rented sector is within reach. These households are not close to being able to afford the next most affordable tenure (entry-level market rent) and so will require affordable rented housing. However, it is possible that housing benefits and financial assistance could enable such households to rent privately, if appropriately priced options are available.

75. For households on median incomes, social rent, affordable rent, entry-level market rent and shared ownership (25%) are accessible. Although there is a relatively big gap between the income required to afford market home ownership and market private renting, which could be usefully filled by affordable home ownership products, in Danbury's case the majority of such tenures are not within reach. Because there are also comparatively few private rented dwellings in Danbury, it may therefore be advantageous for more private rented dwellings to be supplied, provided they are accessible at entry-level rents. Since entry-level market rents are affordable to households on median incomes, it follows that rent-to-buy would also be affordable if there is appetite among Registered Providers of affordable housing in the area.

76. Government policy aimed at tackling the housing crisis continues to focus 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.[15]. In the case of Danbury, the most appropriate tenure to help implement this policy goal locally is shared ownership, while discounted market homes are not particularly affordable. As explored in greater detail in Appendix A, the cost of discounted market homes may be higher still in practice due to ambiguity in the way that prices are set, and it is worth bearing in mind that the price of a lower quartile dwelling used as a baseline

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[15] 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_ma rket_-_print_ready_version.pdf

throughout this analysis includes existing housing and so may not reflect the price premium normally associated with new build housing.

77.   For context, Figure 4-3 below demonstrates the cost of entry level private rents by size for the Housing Market Area, showing Chelmsford as dark yellow. This HNA uses two-bedroom as a standard for the private rented sector which renders it an unaffordable option for lower quartile (both single and dual earning) and for those on a median income. Figure 4-3 however, demonstrates the price difference per number of bedrooms for this sector, it would be reasonable to suggest that those on a median income would be able to afford a one-bedroom private rented property.

Figure 4-3: Entry level private rents by size in Chelmsford, by number of bedrooms

Figure 3.10 Entry-level private rents by size and local authority
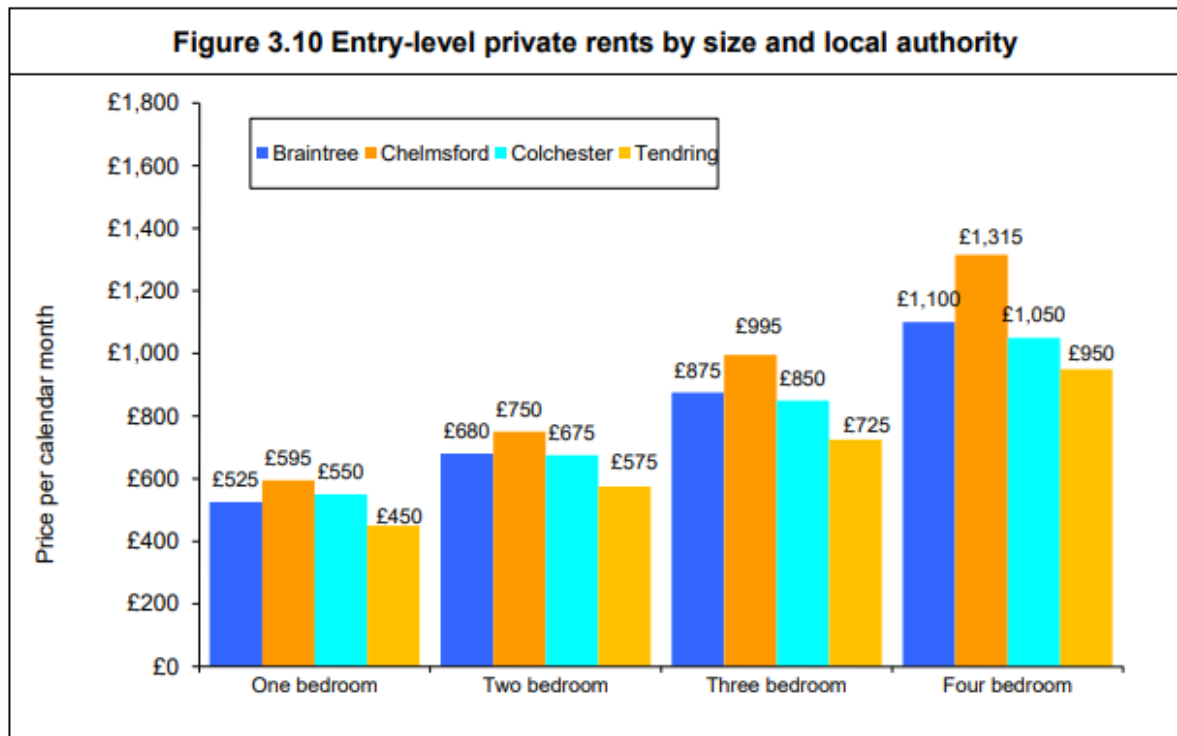
Source: Online estate agents survey September 2015

Source: *Baintree, Colchester, Chelmsford and Tendring SHMA (2015)*

Figure 4-4: Affordability thresholds in Danbury (income required)
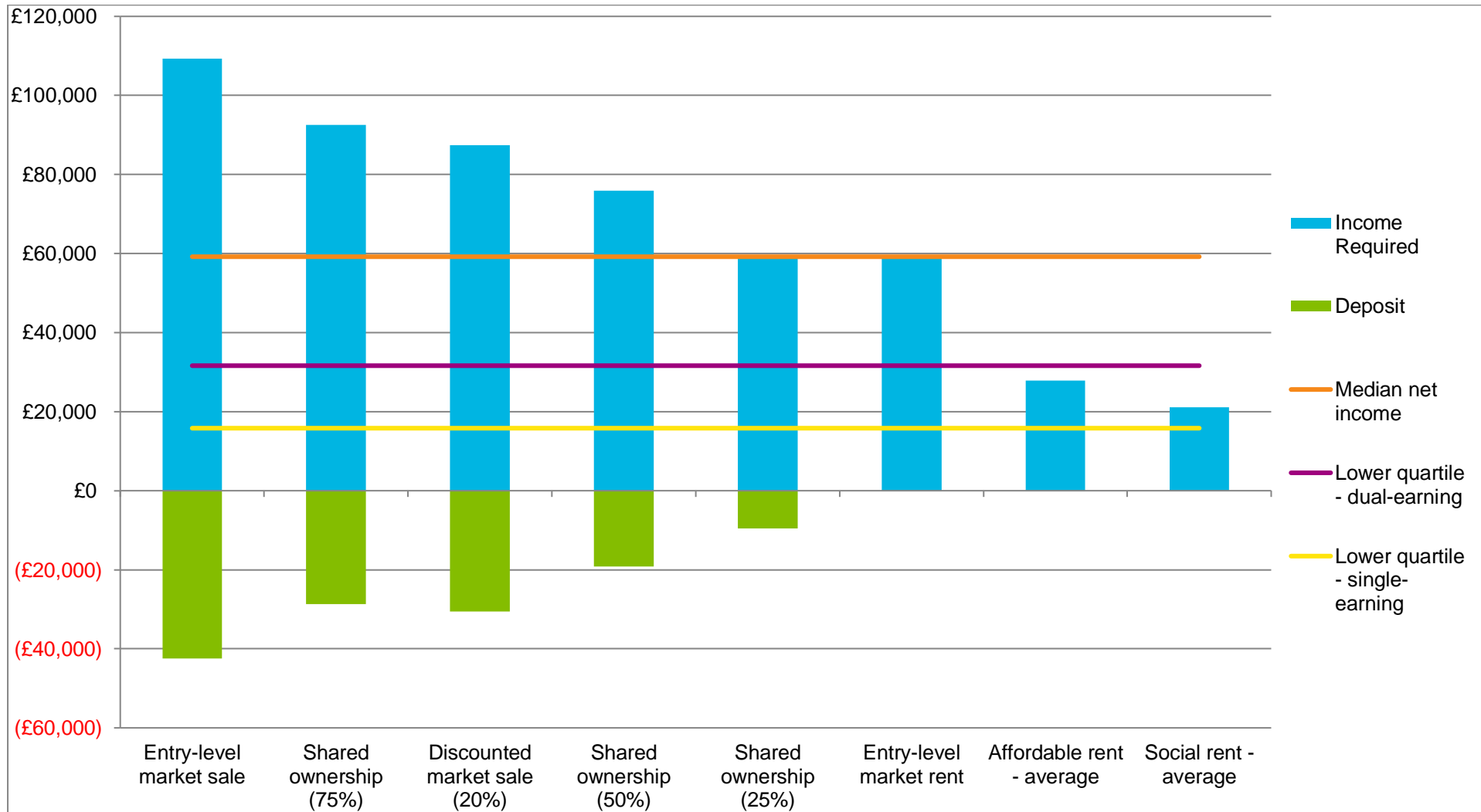
Source: AECOM Calculations

4.5   Affordable rented housing- quantity needed

78. The SHMA calculates the need for affordable housing within Chelmsford. However, the SHMA was published in 2014 and therefore predates new NPPF guidance including households who can't afford to buy but can afford to rent within the definition of those in need of Affordable Housing. It therefore it gives an overall affordable housing need figure that doesn't reflect this distinction. The SHMA calculation also deducts committed supply from need, which builds in an assumption of supply that may not be realistic in practice. For these reasons it is not considered appropriate to pro rate the need identified in the SHMA to Danbury.

79. Therefore, AECOM has undertaken two calculations, the first to estimate the need for affordable rented housing and the second to estimate the need for affordable home ownership products.

80. The first calculation estimates the number of households who cannot afford any tenure of housing in Danbury currently, plus the number of new households who will fall into need over the plan period. These households will therefore require social rent or affordable rented housing.

81. Table 4-5 below identifies the annual need amounting to 3.4 households per year or 51 households in total over the plan period 2021-2036.

Table 4-5 Estimate of the need for affordable rent housing, Danbury

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Local Authority waiting list	95.50	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Neighbourhood level data not available from LA.
1.2 NA overcrowding	31.00	2011 Census overcrowding in Danbury parish (assuming that the 14 concealed households at that time are also counted in overcrowding statistics)
1.1 Current households in need	126.50	
1.2 Per annum	**8.43**	1.1 divided by the plan period 2021-2036
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	337.49	MHCLG 2014-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	19.33%	(1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	312.91	2011 Census + LA-level % increase (MHCLG, Live Table 100)
2.2.2 Number of private renters on housing benefits	12.86	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	65.24	2.1 * 2.2
2.4 Per annum	**4.35**	2.3 divided by plan period 2021-2036
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.00%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	9.39	3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall (or surplus) per annum	3.40	1.2 + 2.4 - 3.2

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

82. The next calculation estimates the number of households who can afford to rent in the market but cannot afford to buy. The needs and aspirations of this group have become a priority of Government in recent years and this now reflected in revisions to the NPPF which include affordable home ownership products within the definition of Affordable Housing.

83. In order to provide an estimate for those who cannot afford to buy in the market in Danbury, to complement the calculation for those who require affordable rented products, AECOM has produced an additional estimate.

84. **Error! Reference source not found.** estimates the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households, but considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy and may prefer to do so. These households are additional to the 3.4 households per annum identified above (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 6.3 affordable home ownership dwellings per annum, or 95 in total over the plan period.

Table 4-6 Estimate of the need for affordable home ownership housing, Danbury

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	49.94	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	18.19%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	27.27	1.1 x 1.2
1.4 Current need (households)	92.00	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	**6.13**	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	337.49	LA household projections for plan period (2014 based) pro-rated to NA
2.2 % of households unable to buy but able to rent	5.33%	Current % of households in PRS
2.3 Total newly arising need	17.99	2.1 x 2.2
2.4 Total newly arising need per annum	**1.38**	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	24.17	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	**1.21**	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	**6.31**	Shortfall = (Step 1.5 + Step 2.4) – 3.2

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

85. The total estimated Affordable Housing need over the Plan period 2021-2036 is therefore 51 (rounded) affordable rented homes and 95 (rounded) affordable home ownership dwellings.

86. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the Local Planning Authority. It should be noted that Danbury has an allocation of around 100 homes. Policy DC31 in the adopted Core Strategy and Policy HO1 in the emerging new local plan states that 35% of new housing needs to be affordable. On that basis Danbury can expect to receive 35 affordable homes over the plan period. Clearly this is not sufficient to deliver the 51 houses in most urgent need (nor the additional 95 who may aspire to home ownership but cannot afford to).

87. Therefore, the community may wish to boost the supply of affordable housing in other ways. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

88. It is important to state there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for it to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners, as outlined above, that can help ensure that it is met to a greater extent if resources permit.

89. It is also important to remember that even after the Danbury, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.

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

4.6   Tenure Split

91. In terms of the ideal split of tenures within Affordable Housing, it is important to reference Chelmsford's affordable housing policy, as set out in the adopted Local Plan. However, the Local Plan does not state a preferred tenure split.

92. It is then necessary to turn to the SHMA, which calculates the projected need for different tenures in Chelmsford to be 21.3% social and affordable rent and 2.1% shared ownership. This is as a proportion of all housing. As a proportion only of Affordable Housing this equates to a split of approximately 91% social affordable rent and 9% affordable routes to home ownership.

93. In addition to this District-level evidence, it is important to consider is the calculations above. The HNA Affordable Housing need calculations estimated a need for 51 affordable rented units and 95 affordable ownership units over the Plan period. As a proportion of the total of 146 Affordable Housing units this represents, the balance between those figures is 37% to 63%.

94. In order to arrive at a balance between these contrasting pieces of evidence, it is considered appropriate to take an average. The average reflects the more urgent need of those who require affordable rented housing and the wider needs of the District, as well as the more localized evidence which suggests that affordable home ownership products are a useful proposition in Danbury (both because a high potential demand for them has been identified and because there is so little private rented stock).

95. The recommended tenure split for Danbury, based on an average of these two sources, is presented in Table 4-7 below. Each headline tenure category is also broken down into sub-tenures in accordance with the evidence arising from the affordability analysis earlier in this chapter.

96. To justify the sub category tenures we look to Figure 4-4 above, which shows that social and affordable rented dwellings are the only forms of tenure accessible to those on lower quartile incomes (both as single and dual earners). The relatively higher affordability of social rented accommodation justifies a greater focus on this form of tenure. In addition to this Figure 4-4 shows that the only accessible home ownership product is shared ownership (25%) while discounted market homes are largely unaffordable. Therefore, to best address housing need, it is appropriate to favour this form of tenure which is reflected in Table 4-7 below.

Table 4-7: Recommended tenure split (Affordable Housing)

Routes to home ownership, of which	**36%**
Discounted market sale	10%
Shared ownership	26%
Affordable Housing for rent, of which	**64%**
Social rent	44%
Affordable rent	20%

Source: AECOM calculations

97. The emphasis on affordable rented housing is further justified by the fact that households needing social/affordable rent have little other choice and have the most urgent housing needs. This group includes homeless households and families living in temporary accommodation. Social/affordable rented housing meets the need of households on the lowest incomes. It is likely to be the priority for affordable housing delivery in Danbury, and the analysis above showed that single-earners on lower quartile incomes can only afford social and affordable rented accommodation.

98. However, our affordability analysis and estimate of the demand for affordable home ownership also point to the role that shared ownership and forms of discounted market housing can play in meeting the needs of those in Danbury who do not require social rented accommodation but are unable to meet the unusually high cost of home ownership. For these reasons, the provision of affordable routes to home ownership should be promoted. Because shared ownership appeared to be the most accessible intermediate tenure in the affordability analysis, it is weighted higher in the above table than other forms of discounted market housing. Note that the precise ownership share to be offered in shared ownership products is not something that it is in the power of neighbourhood planning policies to enforce.

99. While AECOM has made suggestions for the split of different products within the tenure split, though this should be considered indicative as it will be subject to wider considerations of costs, viability and the availability of funding for particular products.

100. Indeed, the precise mix of affordable homes at the site-specific level will be influenced by factors other than the scale of need. The mix will be influenced by viability considerations, the views of Registered Providers including whether they wish to manage small numbers of affordable homes in a rural location, the existing stock mix and other policy objectives. It is important to state that the estimates of need in this HNA or elsewhere do not directly determine affordable housing policies because of these wider policy considerations.

101. The tenure split in Table 4-7 should be considered a guideline for the ideal mix of tenures to be delivered within the NA. As such, it will be a useful point of reference when planning applications are considered but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.

102. Where the neighbourhood planners wish to craft policy that enforces this split more rigidly, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.

4.7   Conclusions- Tenure and Affordability

103. Danbury is characterised by a relatively high proportion of home ownership, as opposed to private and social renting, when compared with Chelmsford and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case.

104. In the Danbury Survey, 95% of responses approve of the housing development vision, which states as a priority to provide suitable housing at less than the market value, indicating that most people agree market housing is widely unaffordable for the local population.

105. Indeed, the annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is double the average net household income in Danbury and just over three quarters the lower quartile gross income of a single-earner.

106. Private renting is comparatively uncommon in Danbury, despite rising significantly between 2001 and 2011 (as did shared ownership, from a low base). At the same time, the number of properties available for social rent declined by 6% as occupiers of such accommodation made purchases through the Right to Buy program.

107. Given that social and affordable rent are the only secure tenures within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social or affordable rented dwellings is the principle affordability challenge for Danbury residents.

108. To ensure that other households on lower than average incomes can afford to continue living in Danbury and that the high number of overcrowded households[16] can have the opportunity to form their own independent households, it will also be important to increase the quantity of affordable routes to home ownership[17] – especially if reforms to welfare including housing benefit are implemented in the coming years. That said, it appears that only shared ownership at a 25% share is affordable to most people.

109. Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Danbury, expressed in the adopted Core Strategy and emerging Local Plan is that 35% of new housing on developments providing 11 dwellings or more will be affordable.

110. Of the indicative figure of around 100 dwellings proposed for Danbury 35 dwellings are likely to be affordable on the basis of that policy requirement. This figure is lower than the 51 households that are projected to be in need of Affordable Housing to rent over the same period and the 95 households projected to be in need of Affordable Housing for sale. If the majority of new housing is delivered through infill development (on small sites dispersed around the

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[16] See glossary, page 55 for definition.

[17] Such as shared ownership and discounted market sales housing.

NA), many of these sites will not meet the requirement of providing 11 or more dwellings and so the number of Affordable Housing units will be lower still.

111. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 35% delivery requirement is met wherever possible in Danbury. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites (explicitly supported by the emerging Local Plan Policy HO2) or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.

112. It is difficult to exceed the Local Plan affordable housing policy requirement in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of a HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

113. Of the 35% Affordable Housing units to be delivered in Danbury, it is recommended that approximately 64% be offered as social or affordable rent, with the emphasis on social rent and the remaining 36% delivered as affordable routes to home ownership, with the emphasis on shared ownership as opposed to discounted market housing (which is not affordable in this area).

114. However, it should be noted that in the Danbury Survey, when asked their preferred means of obtaining a new home, 98% selected home ownership and 75% selected shared ownership. Council housing and private rented/ social rented were considered unsuitable. This does not mean these tenures should not be provided at all. It does, however, point to a need to further assess demand for this product when planning for new development. This should not however, outweigh the demonstrated need for this tenure.

115. The need to improve affordability in Danbury across all tenures aligns with the findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

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 Danbury over the Neighbourhood Plan period?

5.1 Introduction

117. The Danbury Neighbourhood Plan will need to include policies informed by robust data 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 at all stages of life the options they require, while keeping the market operating efficiently.

118. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in the Danbury area (NA). Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Danbury population is likely to change by the end of the Plan period.

5.2 Existing types and sizes

5.2.1 Background and definitions

119. 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.

120. 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 thus 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 than demographics, household type and size would suggest for future years.

121. 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' should thus be translated as follows:[18]

- 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

122. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.[19] 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.

123. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A

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

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

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."[20] On this basis, where unrelated *residents* of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2   Dwelling type

124. The 2011 Census shows that the NA is characterised by a particularly large proportion of detached dwellings compared to wider geographies, with a correspondingly lower proportion of semi-detached and terraced houses and a particularly low proportion of flats, maisonettes or apartments (see Table 5-1 below).

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

Dwelling type		Danbury	Chelmsford	England
Whole house or bungalow	Detached	63.1%	29.8%	22.4%
	Semi-detached	19.8%	31.4%	31.2%
	Terraced	11.3%	20.5%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	4.5%	15.9%	16.4%
	Parts of a converted or shared house	0.2%	1.1%	3.8%
	In commercial building	0.7%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3   Bungalows

125. The Danbury Survey demonstrated a strong level of demand for bungalows, with 86% of responses considering them net suitable, making them the second most popular category behind semi-detached houses for which 92% of responses deemed net suitable.

126. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their presence in Danbury. This data is limited in the sense that all the statistics are rounded to the nearest 10, and because it is only available down to the level of the Middle Super Output Area (MSOA) used in the Census, so the data discussed below covers a slightly wider area than the Danbury NA. The code for the MSOA in question is E02004500, and the map in Figure 5-1 below shows its boundary.

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[20] Ibid.

Figure 5-1: MSOA E02004500, used as a best-fit geographical proxy for the Neighbourhood Plan area
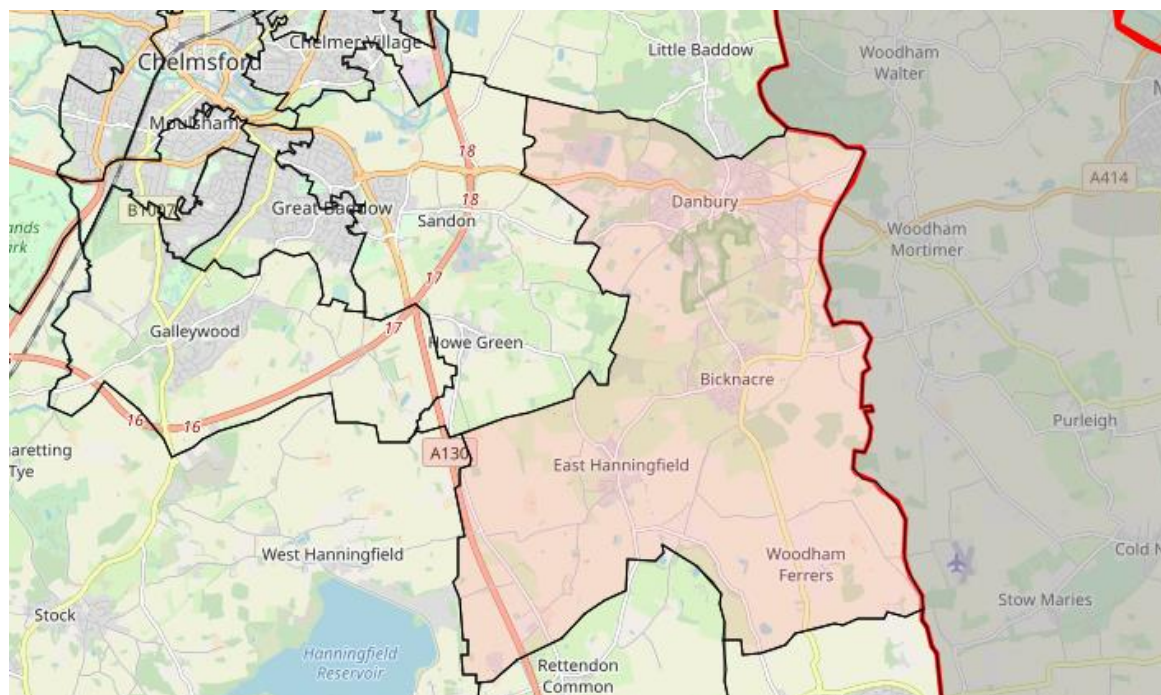
Source: ONS

127. The data is presented in Table 5-2 below. It shows that 15% of properties in Danbury are bungalows, a higher rate to that seen across Chelmsford as a whole, England and Wales. On the basis of comparison with these wider geographies it is not the case that Danbury has an undersupply of bungalows. However, further analysis in this and subsequent chapters may show if demand is expected to rise beyond the current level of provision.

Table 5-2: Number of bungalows by property size, 2019

	Danbury	Chelmsford	England and Wales
1 bedroom	60	1,070	280,050
2 bedrooms	210	3,210	1,200,960
3 bedrooms	220	1,780	794,840
4 bedrooms +	90	490	160,990
Unknown	0	10	7,320
Total	580	6,550	2,444,150
Percentage of all properties that are bungalows	15% (of 3,840)	9% (of 75,120)	10% (of 25,635,730)

Source: Valuation Office Agency, Council tax: stock of properties, 2019, Table CTSOP3.1_2018

5.2.4   Dwelling size

128. Table 5-3 below sets out the proportion of dwellings having various numbers of rooms. The housing stock in the NA is characterised by a notably larger share of homes with 7 rooms or more than seen at Borough level – a combined 55% compared with 21% in Chelmsford. There are consequently proportionally fewer smaller homes in Danbury.

Table 5-3: Number of rooms per household in the plan area, 2011

Number of Rooms	Danbury	Chelmsford
1 Room	0.1%	0.4%
2 Rooms	0.1%	2.4%
3 Rooms	4.8%	9.2%
4 Rooms	8.6%	15.3%
5 Rooms	15.6%	21.6%
6 Rooms	15.3%	20.1%
7 Rooms	17.6%	13.1%
8 Rooms or more	17.3%	8.9%
9 Rooms or more	20.4%	8.9%

Source: ONS 2011, AECOM Calculations

129. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that the plan area has undergone significant growth in the largest dwelling category, with only moderately lower growth than seen at district level in the 8 room categories in line with the national trend of building larger executive new homes.

130. Unusually, there has been a decline in the number of properties with 2 to 7 rooms in Danbury, which could be due to the replacement or extension of existing buildings.

Table 5-4: Rates of change in number of rooms per household, 2001-2011

Number of Rooms	Danbury	Chelmsford	England
1 Room	0.0%	-19.1%	-5.2%
2 Rooms	-70.0%	36.7%	24.2%
3 Rooms	-4.9%	20.8%	20.4%
4 Rooms	-9.3%	5.7%	3.5%
5 Rooms	-9.4%	-6.5%	-1.8%
6 Rooms	-4.9%	0.0%	2.1%
7 Rooms	-2.7%	15.6%	17.9%
8 Rooms or more	18.9%	29.8%	29.8%

Source: ONS 2001-2011, AECOM Calculations

131. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that the NA is roughly in line with higher level geographies for all categories, but again contains a lower proportion of smaller properties and a higher proportion of larger properties. This imbalance in the existing housing stock towards large homes is alone sufficient evidence for the Danbury to promote the delivery of smaller homes in future. The ideal proportion of dwelling sizes for future development is explored at the end of this chapter.

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

| Bedrooms	Danbury		Chelmsford		England	
All categories: no. of bedrooms	**2,036**	**100.0%**	**69,667**	**100.0%**	**22,063,368**	**100.0%**
No bedrooms	6	0.3%	138	0.2%	54,938	0.2%
1 bedroom	97	4.8%	7,366	10.6%	2,593,893	11.8%
2 bedrooms	300	14.7%	15,429	22.1%	6,145,083	27.9%
3 bedrooms	661	32.5%	28,303	40.6%	9,088,213	41.2%
4 bedrooms	762	37.4%	14,556	20.9%	3,166,531	14.4%
5 or more bedrooms	210	10.3%	3,875	5.6%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

5.3   Household composition and age structure

132. The current stock profile of Danbury has now been established, with recent changes in its composition identified. The evidence assembled below relates to the composition and age structure of households both in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the size of housing needed in the NA by the end of the Plan period.

5.3.1   Age structure

133. The 2011 Census data presented in Figure 5-2 below reveals that the plan area has a much higher proportion of people in the 45-64 and 65-84 age categories than seen at the Borough or national level. Given this weighting towards an older population, over the Plan period to 2034, it is likely that Danbury will require smaller dwellings better suited to couples and single persons, running contrary to recent building patterns.

Figure 5-2: Age structure, 2011
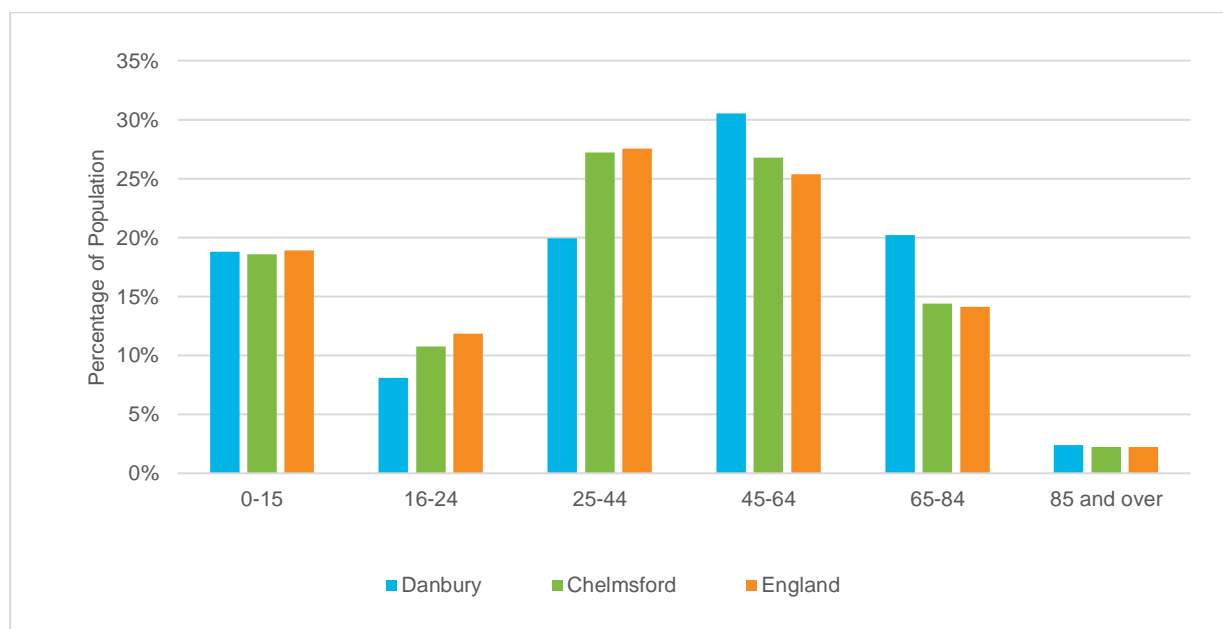
Source: ONS 2011, AECOM Calculations

134. In terms of changes to age structure over time, Census data shows that since 2001 the Danbury population has grown notably for both categories of 65 and above, while the 0-15 and 25-44 age groups have declined. In addition to a moderately ageing population, a further demographic challenge for Danbury is the lack of growth in those of childbearing

age and consequently the younger replacement population. These patterns are similar to those seen at borough level, but are slightly more pronounced (see Table 5-6 below).

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

Age group	Danbury	Chelmsford	England
0-15	-3.3%	-0.1%	1.2%
16-24	3.8%	8.7%	17.2%
25-44	-13.5%	-1.6%	1.4%
45-64	1.3%	14.0%	15.2%
65-84	30.5%	19.6%	9.1%
85 and over	10.8%	39.0%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.3.2   Household composition

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

136. In assessing Census data on household composition in Table 5-7 below, we see that Danbury is fairly consistent with the Borough for all household composition, with only a slightly higher proportion of one family households.

137. Note that non-dependent children refers to children who are adults but live at home with their parents or keep that address while at university.

Table 5-7: Household composition (by household), 2011

Household composition		Danbury	Chelmsford	England
One person household	Total	20.6%	27.5%	30.2%
	Aged 65 and over	11.8%	11.5%	12.4%
	Other	8.8%	16.0%	17.9%
One family only	Total	74.6%	67.2%	61.8%
	All aged 65 and over	15.6%	9.4%	8.1%
	With no children	20.2%	19.6%	17.6%
	With dependent children	27.7%	27.7%	26.5%
	All children Non-Dependent	11.1%	10.4%	9.6%
Other household types	Total	4.8%	5.4%	8.0%

Source: ONS 2011, AECOM Calculations

138. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. As shown in Table 5-8 below, between 2001 and 2011 the biggest change was the increase in one family households all aged over 65, indicative of an ageing population with a comparatively lower base population of those aged over 65. There were however decreases in the one-person household category within the NA for those aged 65 and over, as well as in one family households with no children and dependent children in contrast to increases at district level. On the other hand, the number of households with non-dependent children increased, but not as much as district and national levels.

139. Note that 'other household types' refer generally to households composed of multiple families or individuals, such as students or others sharing a single dwelling.

**Table 5-8: Rates of change in household composition, 2001-2011**

Household type		Percentage change, 2001-2011		
		Danbury	Chelmsford	England
One person household	Total	0.0%	8.4%	8.4%
	Aged 65 and over	-7.7%	-0.9%	-7.3%
	Other	12.6%	16.1%	22.7%
One family only	Total	0.3%	6.7%	5.4%
	All aged 65 and over	24.2%	6.0%	-2.0%
	With no children	-9.1%	5.8%	7.1%
	With dependent children	-5.8%	4.7%	5.0%
	All children non-dependent	8.7%	14.8%	10.6%
Other household types	Total	54.0%	23.4%	28.9%

Source: ONS 2001-2011, AECOM Calculations

5.4   Dwelling mix determined by life-stage modelling

140. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.

141. 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, Borough-level data needs to be used as the closest proxy.

142. Figure 5-3 below sets out the relationship in the 2011 Census in Chelmsford 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 Plan period. The data shows that whilst the majority of Chelmsford residents live in 1- and 2- bedroom properties until the age of 30, the preference turns to dwellings of 3 bedrooms or more right up until the age of 85, when the preference for smaller homes again exceeds 50% of households. The preference for 4-bedroom dwellings follows the trend of 3- bedroom dwellings, while the preference for 1- bedroom homes fluctuates at a low level for almost all life stages, likely due to the short supply of 1- bedroom flats across the Borough.

Figure 5-3: Age of household reference person by dwelling size in Chelmsford, 2011
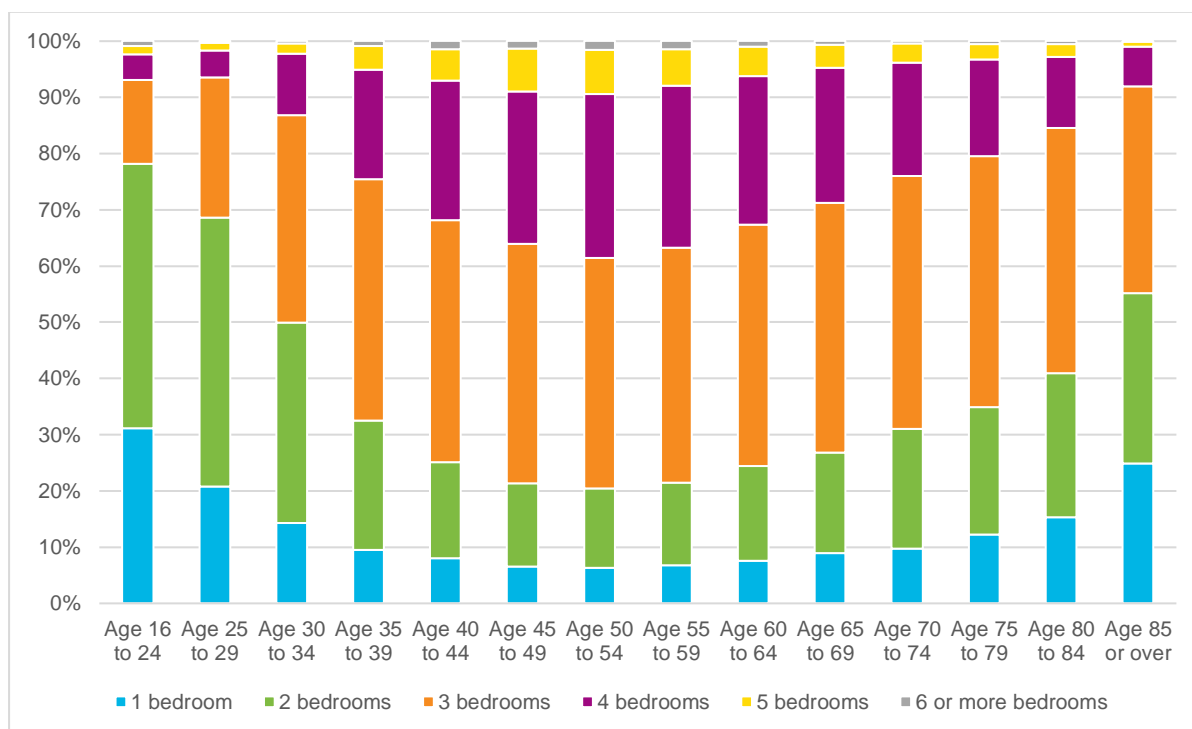
Source: ONS 2011, AECOM Calculations

143. Next, household projections provided by MHCLG are consulted to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the Borough level and for the years 2011 to 2039. Therefore, the distribution of households by the age of the HRP in 2034, i.e. the end of the Neighbourhood Plan period, is estimated and coloured red in Table 5-9 below.

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,552	9,160	28,136	12,524	18,295
2014	1,676	9,700	27,670	11,670	20,950
2036	1,688	9,304	30,354	13,404	31,096
2039	1,690	9,250	30,720	13,640	32,480

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

144. At this point, it is then necessary to extrapolate from these Borough-level population projections an estimate of the corresponding change in the age structure of the population in Danbury. To do so, the percentage of increase expected for each group across Chelmsford between 2001 and 2036, derived from the data presented above, is mapped to the population of Danbury. The results of this calculation are detailed in Table 5-10 below. It is notable that while all age groups over 35 are expected to increase in size over the Plan period, those aged 65 and over will nearly double (to nearly 46% of the entire population). The distribution of HRPs under 34 is set to stay at a relatively even level.

Table 5-10: Projected distribution of households by age of HRP, Danbury

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
% change 2011-2034 for Chelmsford	16	111	781	419	709
Danbury 2011 population	17	118	768	390	812
Danbury 2036 projection	17	113	843	448	1,205

Source: AECOM Calculations

145. Then, to complement the two stages above, Table 5-11 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Chelmsford at the time of the 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 Danbury by the end of the plan period.

Table 5-11: Age of household reference person to size, grouped, Chelmsford, 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	31.2%	17.1%	7.6%	7.2%	13.3%
2 bedrooms	47.0%	40.8%	17.1%	15.8%	22.8%
3 bedrooms	15.0%	31.8%	42.4%	42.4%	43.3%
4 bedrooms	4.5%	8.3%	25.3%	27.6%	17.3%
5+ bedrooms	2.4%	2.0%	7.7%	7.1%	3.3%

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

146. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Chelmsford and Danbury falling into each of these stages by the end of the Plan period in 2036, it is now possible to recommend how the housing stock could evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see Table 5-12 below).

147. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. By doing so for each age bracket and then adding together the totals for each dwelling size, we arrive at an estimation of what proportion of each size of dwelling will be required overall. By multiplying a number of households by the percentages in Table 5-11 above, the results are rarely whole numbers and are therefore presented as rounded. Because the totals are derived from the exact (non-rounded) data, not all columns and rows will sum precisely.

Table 5-12: Ideal dwelling size distribution in Danbury by the end of the Plan period, based on modelled 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
Households 2036	17	113	843	448	1,205	-
1 bedroom	5	19	64	32	160	**281**
2 bedrooms	8	46	144	71	275	**544**
3 bedrooms	3	36	357	190	522	**1,107**
4 bedrooms	1	9	213	124	208	**555**
5+ bedrooms	0	2	65	32	40	**139**

Source: Census 2011, AECOM Calculations

148. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-12 above, which are produced by modelling the change in the age structure of the population in Danbury.

149. Table 5-13 below indicates that, by 2036, the size distribution of dwellings should shift towards the smaller end of the size spectrum, with lower proportions of dwellings with 4 or more bedrooms and higher proportions of smaller homes.

150. It is important to note, when comparing the current and recommended size mix, the fact that Danbury currently has an unusually large stock of housing – i.e. it contains higher proportions of larger homes and lower proportions of smaller ones than the wider district. It is therefore likely that any estimate of future demand based on the occupation patterns of different age groups will contrast with what is a relatively unusual baseline housing mix.

Table 5-13: 2011 housing sizes compared to ideal distribution at end of Plan period, Danbury

Number of bedrooms	2011		2036	
1 bedroom	97	4.8%	281	10.7%
2 bedrooms	300	14.7%	544	20.7%
3 bedrooms	661	32.5%	1,107	42.2%
4 bedrooms	762	37.4%	555	21.1%
5 or more bedrooms	210	10.3%	139	5.3%
Total households	**2,036**	**100.0%**	**2,626**	**100.0%**

Source: Census 2011, AECOM Calculations

151. Table 5-14 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 5-14: Future potential misalignments of supply and demand for housing, Danbury

Number of bedrooms	2011	2034	Change to housing mix	Recommended split
1 bedroom	97	281	184	21.0%
2 bedrooms	300	544	244	27.9%
3 bedrooms	661	1,107	446	51.1%
4 bedrooms	762	555	-207	0.0%
5 or more bedrooms	210	139	-71	0.0%

Source: AECOM Calculations

152. Note that the changes to the housing mix given above for 4- and 5-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with four or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total.

153. The interim result of the life-stage modelling exercise is that to minimise misalignments between supply and demand, 21% of dwellings in new developments should have 1 bedroom, 27.9% should have two bedrooms, 51.1% should have three bedrooms, and no further dwellings with 4 or more bedrooms are needed. This differs somewhat from the housing mix suggested in the CCC draft plan. However, it more accurately addresses the needs of the neighbourhood area as it only takes into account the housing stock in Danbury rather than the wider local authority area.

154. Efforts to change the dwelling mix in this smaller direction would help to allow a growing older cohort of households to rightsize within their existing community if they wish to, and younger people to be able to move into suitably sized first homes, while leaving enough of the larger existing homes to meet demand from families and the still-prominent 35 to 45 age group.

155. 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 four or more 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, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the Borough as a whole.

156. Respondents to the Danbury Survey indicated a broadly similar preference for 2- and 3- bedroom homes to the above result. However, demand from Survey respondents is far lower than the above result for 1- bedroom homes, and there is greater demand for 4-bedroom homes than the model suggests. This is a further reason for flexibility in planning for the size mix of new homes, and may justify a reduction in the proportion of -1 bedroom homes that should be planned for. The results of this element of the Survey are reproduced in Figure 5-4 below.

Figure 5-4: Preference for dwelling sizes, Danbury Survey
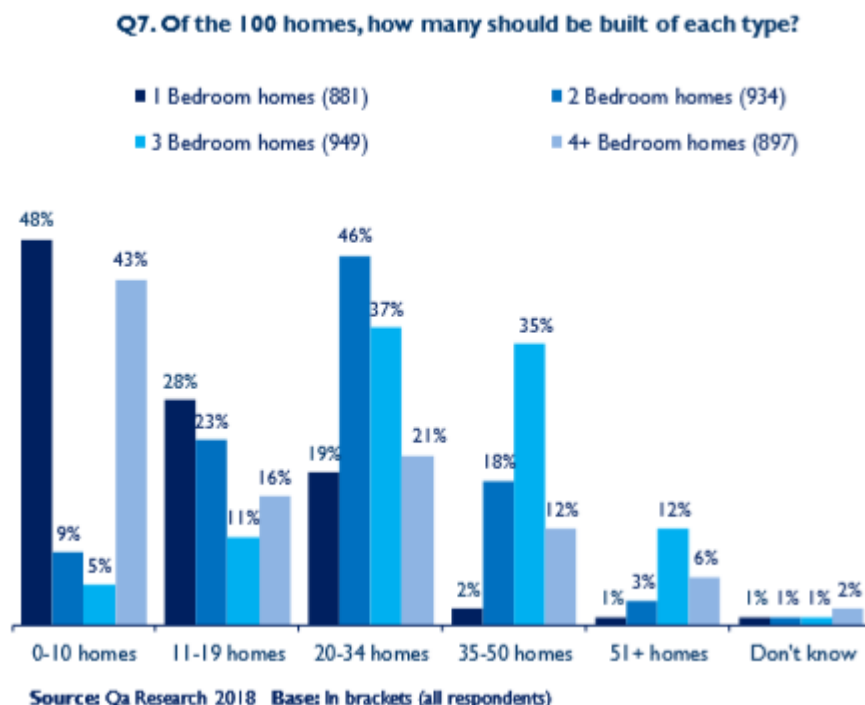
Source: Danbury Survey

The SHMA puts forward a dwelling size mix only by tenure rather than for all housing, but can still be usefully compared to the above result. For owner-occupied housing, which can be assumed to most closely align with the all housing as considered above, 2- and 3-bedroom homes are projected to be in greatest need, in broadly similar

proportions to Danbury, although the need for 1-bedroom homes is lower and that for 4+ bedroom homes higher. This is likely a function of the existing stock profile of Chelmsford, which is more dominated by large homes, as was demonstrated in the analysis at the start of this chapter.

Table 5-15: Dwelling size mix in 2037, Chelmsford

Table 4.4b Size of new owner-occupied accommodation required in Chelmsford over the next 22 years

Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	2,117	2,829	712	8.2%
Two bedrooms	8,457	11,051	2,594	29.8%
Three bedrooms	22,266	26,247	3,981	45.8%
Four or more bedrooms	18,655	20,065	1,411	16.2%
Total	51,495	60,192	8,698	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Source: Baintree, Chelmsford, Colchester and Tandridge SHMA (2015)

5.5   Conclusions- Type and Size

157. Danbury's stock of existing housing is characterized by significantly higher proportions of detached houses and homes with 7 or more rooms than Chelmsford or England. Large properties also experienced the greatest level of growth between 2001 and 2011 among all home sizes.

158. Bungalows represent a higher proportion of all housing in Danbury compared to the situation across Chelmsford as a whole, and national wide housing stock (15% of all homes in Danbury, compared with 9% in Chelmsford and 10% nationally).

159. The age profile of the Danbury population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84 – a group that is likely to reach retirement age over the Plan period to 2034 and will become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.

160. It will therefore be important that new development prioritise housing that is appropriate both to families with children and older households. The needs and financial capabilities of both these groups do overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary. In the context of Danbury's unusual stock of large housing, an appropriate response would be to prioritise the supply of smaller or mid-sized dwellings.

161. 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 recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed.

162. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the community wish to influence the size mix of housing coming forward, smaller homes should be the priority.

163. That said, respondents to the Danbury Survey indicated a broadly similar preference for 2- and 3-bedroom homes to the result of the modelling exercise and the indicative housing mix set out in the CCC draft Plan. This is a further reason for flexibility in planning for the size mix of new homes, and may justify a reduction in the proportion of 1-bedroom homes that should be planned for.

164. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the affordable rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in Danbury, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.

165. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with District and national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and particularly apartments. The size recommendation for smaller homes would align with this, this would also broadly align with the survey results (shown in Figure 5-4). This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like Danbury.

166. Bungalows do not appear to be undersupplied in comparison to the District and national trend, but they were close behind houses overall as the preferred type of dwelling among respondents to the Danbury Survey. The analysis of an ageing population suggests that a relatively high proportion of households can be expected to experience some form of mobility limitation by the end of the Plan period. To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible.

6.   Conclusions

6.1   Overview

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

Table 6-1: Summary of findings

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	Danbury is characterised by a relatively high proportion of home ownership, as opposed to private and social renting, when compared with Chelmsford and England as a whole. In the Danbury Survey, 95% of responses approve of the housing development vision, which incorporates the priority to provide suitable housing at less than the market value indicating that most people agree market valued housing is widely unaffordable for the local population. The annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is double than the average net household income locally and just over three quarters the lower quartile gross income of a single-earner The rate of shared ownership and private rented in Danbury rose significantly between 2001 and 2011, while the number of properties available for social rent declined by 6% as occupiers of such accommodation made purchases through the Right to Buy programme. However, even given this significant increase in the private rented sector and shared ownership, these two tenures hold the lowest share of the housing stock. When asked about their preferred means of obtaining a new home, the vast majority of responses favoured home ownership and shared ownership. While private, council and social rented dwellings were considered unsuitable.	Given that social and affordable rent are the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit) the lack of social or affordable rented dwellings is the principle affordability challenge for Danbury residents. To ensure that other households on lower than average incomes can afford to continue living in Danbury and that the high number of overcrowded households can have the opportunity to form their own independent households, it will also be important to increase the quantity of affordable routes to home ownership. Of the indicative figure of 100 dwellings proposed for Danbury 35 dwellings are likely to be affordable on the basis of that policy requirement. This figure is lower than the 51 households that are projected to be in need of Affordable Housing to rent over the same period and the 95 households projected to be in need of Affordable Housing for sale. If the majority of new housing is delivered through infill development on small sites dispersed around the NA, many of these sites will not meet the requirement of providing 11 or more dwellings and so the number of Affordable Housing units will be lower still. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA. It is critical that the 35% delivery requirement is met wherever possible in Danbury. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites (explicitly supported by the emerging Local Plan Policy HO2) or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy. Of the 35% Affordable Housing units to be delivered in Danbury, it is recommended that approximately 64% be offered as social or affordable rent, with the emphasis on social rent and the remaining 36% delivered as affordable routes to home ownership, with the emphasis on shared ownership as opposed to discounted market homes (which are not affordable in this area).

| Housing type and size | Danbury's stock of existing housing is characterised by significantly higher proportions of detached houses and homes with 7 or more rooms than Chelmsford or England. The supply of larger properties increased at the highest rate between 2001 and 2011.

Bungalows form a higher proportion of all housing to the situation across Chelmsford and a higher proportion than across England.

The age profile of the Danbury population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84. | New development should prioritise housing that is appropriate to young people, families with children and older households. In the context of Danbury's unusual stock of large housing, an appropriate response would be to prioritise the supply of smaller or mid-sized dwellings.

The recommended size mix of new housing (including replacement dwellings) focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed. However, on the basis of evidence from the Danbury Survey and SHMA, the supply of larger homes should not be inhibited altogether.

To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible. |

6.2   Recommendations for next steps

168. This Neighbourhood Plan housing needs assessment aims to provide Danbury 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 Chelmsford 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 Chelmsford – 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;

- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Chelmsford, 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 Chelmsford and the neighbourhood plan areas within it.

169. 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.

170. Bearing this in mind, we recommend that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Chelmsford or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

171. 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

172.   As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

173.   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 Danbury, it is considered that MSOA E02004500 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. Note that the MSOA extends well beyond the Danbury NA, encompassing Bicknacre, East Hanningfield and Woodham Ferrers among other settlements. However, it does contain the entirety of the NA and, as no smaller geography is available for local income data, this is the most robust available proxy. A map of the MSOA appears below in Figure 6-1.

Figure 6-1: MSOA E02004500 used as a best-fit geographical proxy for the Neighbourhood Plan area
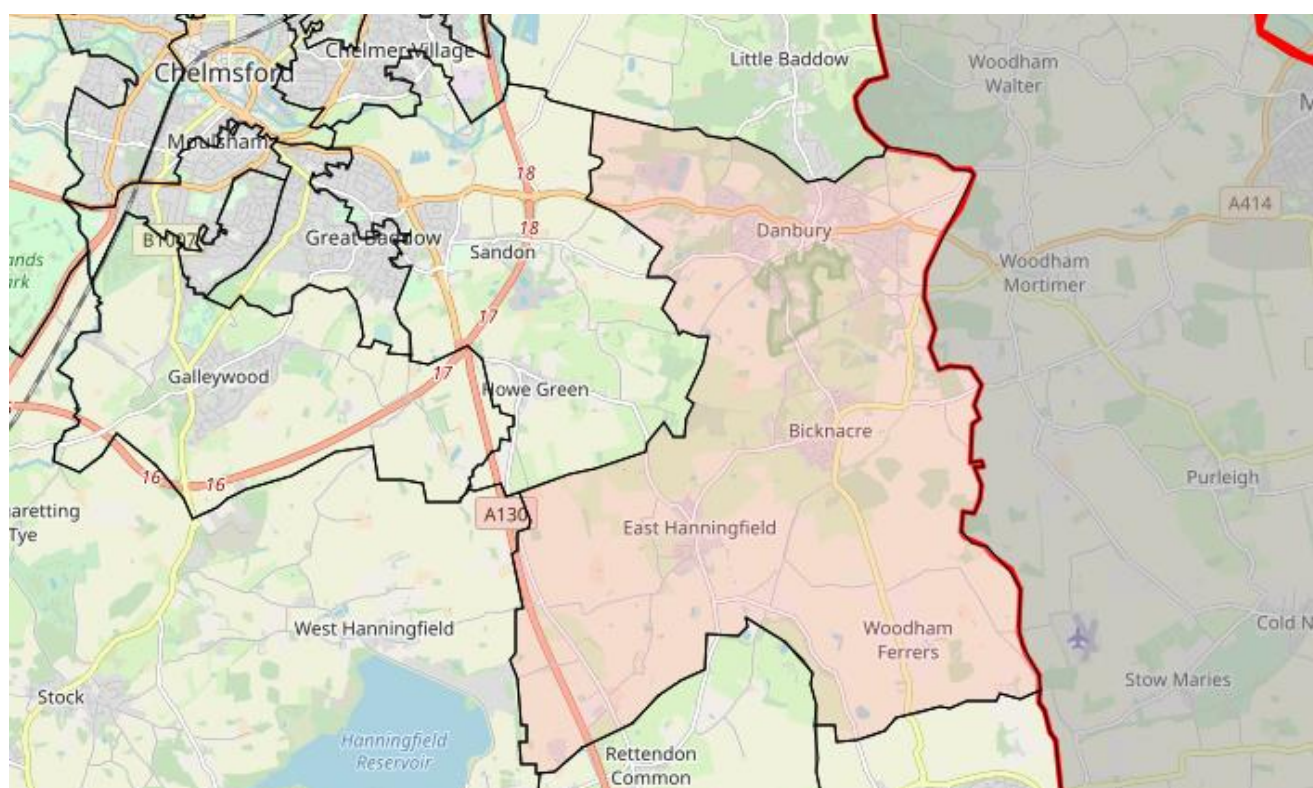
Source: ONS

A.2   Market housing

174.   Market dwellings for sale and rent are increasingly accessible only to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.

175.   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 that prevent its ability to respond to demand.

176.   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.

177. To determine affordability in market housing, we consider 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

178. 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.

179. 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 Danbury. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

180. 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.[21] 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. Though this is not necessarily reflected in the currently available properties on the local market, the larger sample size across 2018 as a whole and the difference between paid prices as recorded by Land Registry and asking prices visible on the market, render the 2018 Land Registry data more accurate for the purpose of this calculation.

181. The calculation is as follows:

- Value of an entry level dwelling = 425,000;

- Purchase deposit = £42,500 @10% of value;

- Value of dwelling for mortgage purposes = £382,500;

- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;

- Purchase threshold (i.e. annual income needed to afford entry-level market housing) = £109,286.

ii) Private Rented Sector (PRS)

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

183. 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,[22] such a home would require three habitable rooms (a flat or house with two bedrooms).

184. 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 CM3 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.

185. According to Home.co.uk, there are 10 x 2 bedroom properties currently listed for rent across the plan area, with an average rent of £1,473 per calendar month. This is significantly higher than the median monthly rent of £850 for a 2 bedroom property for Chelmsford as a whole, as recorded in the SHMA of 2015.

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

- Annual rent = £1,473 x 12 = £17,671;

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

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

- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £58,845.

187. 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

188. 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.

189. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, 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.

190. Each of the Affordable Housing tenures is considered in turn below.

i)   Social rent

191. 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.

192. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the Local Authority level so Chelmsford must act as a proxy for Danbury. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Chelmsford in the table below.

193. To determine the income needed, we continue to operate on the assumption that no more than 30% of income should be spent on rent. As for entry-level market rent, the figure we take forward for the affordability analysis is the 2 bedroom income threshold of 21,131.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average weekly social rent	£88	£102	£116	£138	£102
Annual average	£4,586	£5,283	£6,007	£7,194	£5,310
Income needed	£18,346	£21,131	£24,028	£28,777	£21,240

Source: Homes England, AECOM Calculations

ii)   Affordable rent

194. Affordable rent is controlled at no more than 80% of the local market rent. As we have seen, the annual entry-level rent in Danbury is £17,671. In the event of a 20% reduction in rent to £14,137, the income threshold would reduce to an estimated £47,076. This tenure is usually only accessible to those on local authority and housing association waiting lists.

195. Although affordable rent at 80% of market rent is permitted, in practice most registered providers seek to cap rents so that they are affordable to those on universal credit, which is the group of people who will be accessing this tenure. This may be done by determining a percentage of the maximum benefit available to a household that should be spent on housing costs: for example, it might be set at 40% of the maximum universal credit amount of £20,000, meaning that affordable rent for larger homes for families would be capped at £8,000 per year.

1. Given that the cost of renting is high in Danbury, it is very unlikely that the 20% discount on market rents will be realistic and applied in practice. Because registered providers' approach will differ across the area and is not published, another indicator is used.

2. Chelmsford's Local Housing Allowance (LHA) rates for 2019-20 are also provided in Table A-2 below. Affordable rent levels can also be set with reference to the housing allowance that will be paid to the tenant, and this measure

is considered to be a more reliable measure of the affordable rent tenure in this instance. A housing association would be within their rights to charge the full LHA amount, and so we will take forward the LHA-derived figure in the comparative analysis at the end of this chapter. Because a weighted average is not available, we use the cost of a 2 bedroom unit in line with the proxy used elsewhere for an entry-level dwelling.

Table A-2: Chelmsford Local Housing Allowance levels

Size	1 bed	2 beds	3 beds	4 beds
Average rent per calendar week	£129.78	£160.73	£169.58	£246.05
Annual average rent	£6,749	£8,358	£8,818	£12,795
Income needed	£22,473	£27,832	£29,364	£42,606

Source: http/lha-direct.voa.gov.uk

iii) Intermediate tenures

3. 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.

4. 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"*.

Discounted market sale (20% discount)

5. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access market housing for purchase.

6. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £425,000. Applying a discount of 20% provides an approximate selling price of £340.00. Allowing for a 10% deposit further reduces the value of the property to £306,000. The income threshold at a loan to income ratio of 3.5 is £87,429.

7. However, this method of estimating the cost of discounted market sale homes is based on an assumption that they will be priced with reference to the value of lower quartile dwellings, with a discount of 20% applied. In practice, there is nothing in national regulations to require that their price is set in this way. Developers could instead set prices with reference to average new build prices or a market value they establish themselves based on their sales prices in the area, both of which tend to be much higher than lower quartile prices. This ambiguity means that the cost of discounted market sale homes can in reality be much higher than the optimistic calculation presented here.

Shared ownership

8. 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.

9. 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.

10. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £425,00.[23] 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

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

required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

11. A 25% equity share of £425,000 is 106,250, from which a 10% deposit of £10,625 is deducted. The mortgage value of £95,625 (£106,250 -10,625) is then divided by 3.5. To secure a mortgage of £95,625, an annual income of £27,321 is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £318,750. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £7,969 and requires an income of £31,875. Therefore, an income of around £59,196 (£27,321 + £31,875) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.

12. The same calculations are repeated for shared ownership at a 50% and 75% equity share, producing affordability thresholds of £75,893 and £92,589 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 house costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[24].

Age-Restricted General Market Housing

A type of housing 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.

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[25]

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[26]

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)[27]

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

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[25] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

[26] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary

[27] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[28], 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.

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[28] See https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/

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.

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[29]

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

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[29] See http://www.housingcare.org/jargon-sheltered-housing.aspx

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.[30]

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[30] See http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing