

# Watlington

Housing Needs Assessment (HNA)

February 2022

## Quality information

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## List of acronyms used in the text:

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

# 1. Executive Summary

1. Watlington is a Neighbourhood Plan area located in South Oxfordshire. The Neighbourhood Area (NA) boundary is consistent with the Parish of Watlington and was designated in 2013. A Neighbourhood Plan for Watlington was adopted in 2018 and covers the period 2017 to 2033, in line with the adopted South Oxfordshire Local Plan at the time. A new Local Plan was adopted in December 2020 to cover the period to 2035. As such, the group wish to update the Watlington Neighbourhood Plan so that it is consistent with the Local Plan.
2. The adopted Neighbourhood Plan describes Watlington as a small, rural, market town at the foot of the Chilterns escarpment. It is in a predominantly agricultural area, surrounded on all sides by farmland and bordering a landscape designated as an Area of Outstanding Natural Beauty. The parish includes the hamlets of Christmas Common, Greenfield and Howe Hill, which are in the Chiltern Hills. Although small in size and population, Watlington has a range of services and amenities including primary school, secondary school (Icknield Community College) churches, pubs and a range of shops and businesses.
3. In 2011 Watlington had a total of 2,727 residents, formed into 1,144 households and occupying 1,221 dwellings. The mid-2020 population estimate for Watlington is 2,596 – indicating population decline of around 131 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
4. Between April 2011 and March 2021 there were 38 (net) housing completions in the parish. There has been limited change in the number of dwellings since 2011 therefore. Whilst this growth might indicate that the population grew over the 10 year period, change in the composition of households, the ageing of the population and declining household size could account for the estimated fall in the population of the parish. Census 2021 data will be released over 2022 so the new Neighbourhood Plan will be able to reflect the latest trends in due course.

## **Tenure, House Prices, Affordability and the Need for Affordable Housing**

5. The majority of households in Watlington live in the owner occupied sector, though the proportion is consistent with the district, higher than the proportion of owners in England as a whole. Both the social and private rented sectors are larger, in terms of share of households, than in South Oxfordshire, but small by national standards.
6. House prices have risen substantially in the last 10 years with median average prices increasing by 62% since 2011. Average prices in 2020 were £447,000. Lower quartile prices have doubled over the same period and were £350,000 in 2020, illustrating the challenge for first time buyers and other households on lower incomes.

7. Average household incomes in Watlington are estimated to be around £56,600, with lower quartile earnings substantially lower. Even households on average incomes are unable to afford entry level home ownership. Entry level market rents are affordable to this group though availability of rented properties is very limited. Affordable home ownership products offer the potential to extend home ownership to more households in the parish, but large discounts (eg First Homes at 50% discount) are required to offer the potential to extend home ownership to households on average incomes.
8. It is difficult to be definitive about the scale of need for Affordable Housing in Watlington. From the parish perspective there is a limited but urgent need for some affordable rented housing and more substantial potential demand for affordable home ownership. There are currently 75 households on the South Oxfordshire District Council's waiting list for housing in Watlington. The Housing Need Survey 2021 specifically identified 24 households within the parish in affordable housing need and with a strong local connection. There is additional substantial potential demand for affordable home ownership, largely from households living in the private rented sector who 'can rent, but can't buy'.
9. Watlington is likely to play a role in meeting some of the wider needs of the district and these may need to be taken into consideration in developing any neighbourhood specific tenure mix (as proposed here).
10. The housing requirement for Watlington, along with existing planning permissions and commitments has the potential to provide 363 new dwellings over the plan period to 2035. If 40% of these homes are provided as Affordable Housing, in line with Local Plan policy, up to 145 Affordable Homes could be delivered in the parish. In practice, the figure is likely to be lower because not all sites will meet affordable housing thresholds (or 10 dwellings or more).
11. This potential level of delivery would meet the identified need for affordable rented housing locally (the parish level estimates in this report). There may be wider need for affordable rented housing in the District as a whole and so the delivery of Affordable Housing and the mix pursued may need to take account of strategic needs. Adopting a tenure mix that differs from the adopted Local Plan policy would require close engagement with the LPA.
12. 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. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

## **Housing Mix – Type and Size**

13. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
14. Watlington has a bias towards older households and has experienced growth in the older population in recent years. This is consistent with national trends. There is a substantial proportion of family households within the parish but younger households are expected to decline in their share of the population over the plan period. The growth in house prices and declining affordability in the parish is likely to be a contributing factor and this concern was also raised in the responses to the parish Housing Need Survey.
15. The housing stock in the parish is biased towards larger properties of 3 or more bedrooms in semi detached and detached properties. There are relatively fewer flats compared to the district and England and consequently a smaller share of smaller (1 and 2 bedroom properties).
16. Household projections and modelling in this HNA based on the profile of the existing stock suggest a need for all different sizes of properties over the plan period. The modelling, which relies on projections based on existing trends, suggests the need for substantial provision of larger dwellings, though it is important to note that this reinforces existing patterns on the neighbourhood. The Neighbourhood Plan and strategies at the district level may wish to change these patterns. The mix of homes provided in Watlington could also reflect how the planners wish to change the role of the settlement or encourage and support particular groups of households to live in the area.

## **The Housing Needs of Older People**

17. There are around 373 older people aged 75+ in Watlington (ONS parish population estimates 2018). This has grown from 313 in 2011 and is expected to grow to 582 by the end of the plan period (2035). The number of over 75s is estimated to have grown 269 from 2011-2035, equating to around 189 households.
18. The majority of older people in Watlington live in mainstream housing and often care and support can be provided in an own home setting when required. However, the growth of the older population is likely to result in additional demand for specialist housing.
19. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
20. These two methods of estimating the future need in Watlington produce a range of 67 to 88 specialist accommodation units that might be required by 2035 (including growth from 2011). These estimates are based on the projected growth of the older population,



thereby assuming that today's older households are already adequately accommodated. If this is found not to be the case, it would justify plans to boost provision further.

21. The stock of older persons specialist accommodation in Watlington is relatively large considering the size of the population, but it is all age restricted or retirement housing. Only one scheme appears to have any care or support provided on site. In many ways, the existing stock provides no additional benefits in terms of care and support to the mainstream housing stock, although it may be more accessible and offer some benefits in terms of security and community.
22. There is a broad balance between ownership and rented housing in the specialist stock of age restricted or retirement housing. A new scheme is due to be developed in 2022 and this will provide 41 additional homes for sale. The existing stock and the new scheme are likely to meet needs from older households with limited care and support needs.
23. Improvements to the mainstream housing stock can also contribute in meeting this need. Local Plan policy H11 sets specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.
24. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. The Local Plan requires that 15% of market housing is built to M4(2) standards but given the scale of the older population in Watlington and expected growth, the evidence gathered here could justify seeking a higher proportion in the parish, subject to viability considerations.
25. The estimates provided in this report expect the need for around 19-43 units for households with greater support needs and may need some form of housing where care and support is provided on site. Extra care or assisted living schemes can provide suitable accommodation for older households to live independently whilst receiving care.
26. It is considered that Watlington is, in broad terms, a suitable location for specialist accommodation such as extra care. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Watlington in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.
27. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

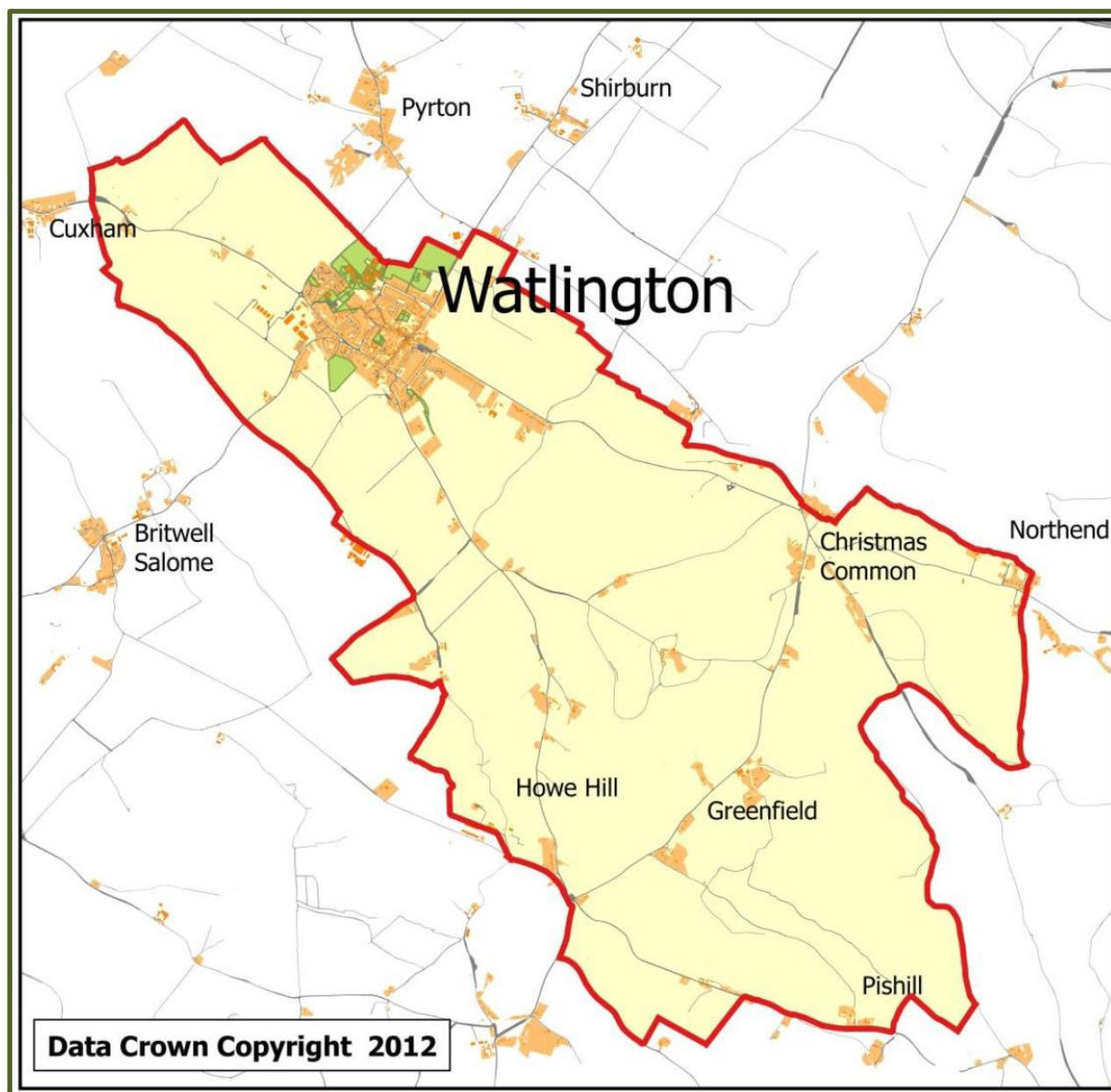
## 2. Context

### Local context

1. Watlington is a Neighbourhood Plan area located in South Oxfordshire. The Neighbourhood Area (NA) boundary is consistent with the Parish of Watlington and was designated in 2013. A Neighbourhood Plan for Watlington was adopted in 2018 and covers the period 2017 to 2033, in line with the adopted South Oxfordshire Local Plan at the time. A new Local Plan was adopted in December 2020 to cover the period to 2035. As such, the group wish to update the Watlington Neighbourhood Plan so that it is consistent with the Local Plan.
2. The proposed Neighbourhood Plan period starts in 2017 and extends to 2035, therefore comprising a planning period of 18 years. The evidence supplied in this report will look forward to the Plan end date of 2035, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. The adopted Neighbourhood Plan describes Watlington as a small, rural, market town at the foot of the Chilterns escarpment. It is in a predominantly agricultural area, surrounded on all sides by farmland and bordering a landscape designated as an Area of Outstanding Natural Beauty. The parish includes the hamlets of Christmas Common, Greenfield and Howe Hill, which are in the Chiltern Hills.
4. Although small in size and population, Watlington has a range of services and amenities including primary school, secondary school (Icknield Community College) churches, pubs and a range of shops and businesses.
5. Watlington lies to the south east of Oxford and north of Reading, and less than 3km from the Buckinghamshire border and High Wycombe. The M40 motorway is under 5km from Watlington with access at junctions 5 and 6. There are also frequent coach services to Oxford and London, Heathrow and Gatwick from M40 junction 6 at nearby Lewknor. Local bus services are more limited apart from a regular service between Watlington and Oxford.
6. The Neighbourhood Plan area is consistent with the parish boundary and as such the data used in this report draws on parish data where available. Where trend data is used from the Census 2001, parish data is not available and so the analysis draws on the output area level data. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following OAs, which have been used throughout because they are consistent with the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
  - E01028680 (Lower super output area)
  - 38UDHN0011 (Output area)
  - 38UDHN0012 (Output area)
  - 38UDHN0013 (Output area)

7. The statistics show that in the 2011 Census the NA had a total of 2,727 residents, formed into 1,144 households and occupying 1,221 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Watlington is 2,596 – indicating population decline of around 131 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
8. Between April 2011 and March 2021 there were 38 (net) housing completions in the parish. There has been limited change in the number of dwellings since 2011 therefore. Whilst this growth might indicate that the population grew over the 10 year period, change in the composition of households, the ageing of the population and declining household size could account for the estimated fall in the population of the parish. Census 2021 data will be released over 2022 so the new Neighbourhood Plan will be able to reflect the latest trends in due course.
9. A map of the Plan area appears below in Figure 2-1. Figure 2-2 sets the parish within the context of its wider geographical area with the City of Oxford in the top left corner and High Wycombe to the east.

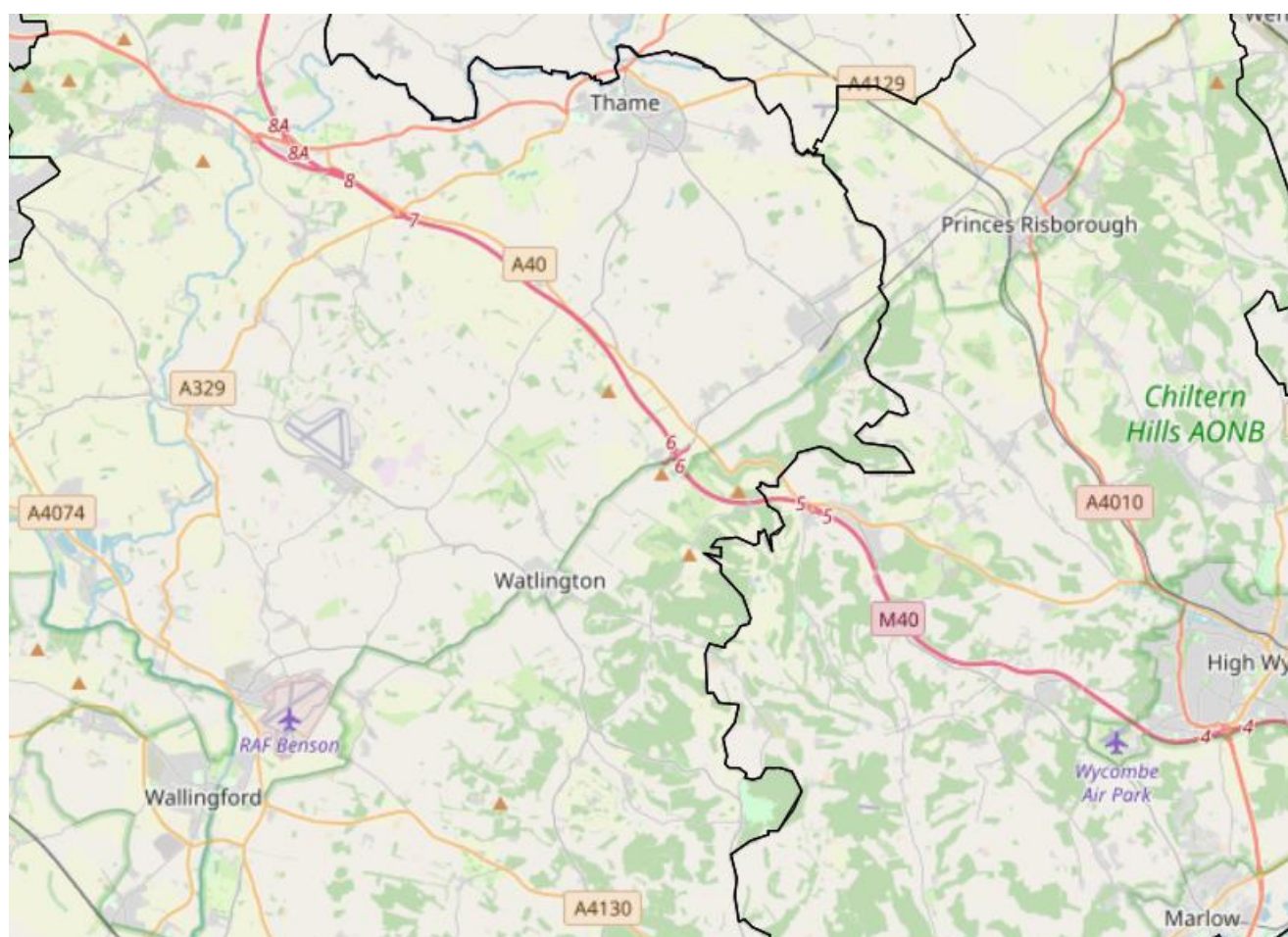
**Figure 2-1: Map of the Watlington Neighbourhood Plan area<sup>1</sup>**



Source: Figure 1 in Watlington Neighbourhood Plan 2018

<sup>1</sup> <https://www.southoxon.gov.uk/wp-content/uploads/sites/2/2020/10/WNDP1-Watlington-Neighbourhood-Development-Plan-MADE-VERSION.pdf>

**Figure 2-2: Map of Watlington in Wider Geographical Context**



Source: ONS, <https://www.nomisweb.co.uk/>

## The Housing Market Area Context

10. Whilst this HNA focuses on Watlington neighbourhood area it is important to keep in mind that neighbourhoods are not self contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Watlington, the parish sits within an Oxford-focused sub-regional housing market extending across much of Oxfordshire, reflecting the economic influence of the City<sup>[1]</sup>. This means that when households who live in these authorities move home, the vast majority move within this geography. However, the SHMA 2014 states that ‘there are links, in housing market and economic terms, between parts of Oxfordshire and surrounding areas, including major employment centres close to the county’s boundaries, particularly Reading (the influence of which tends into South Oxfordshire including Henley-on-Thames)...’ (para 1.25 onwards in the SHMA 2014)

<sup>[1]</sup> Oxfordshire Strategic Housing Market Assessment 2014 by GL Hearn:  
[https://data.southoxon.gov.uk/ccm/support/dynamic\\_serve.jsp?ID=1421403460&CODE=50C0079DA0CA18BB373D625EA6A3089E](https://data.southoxon.gov.uk/ccm/support/dynamic_serve.jsp?ID=1421403460&CODE=50C0079DA0CA18BB373D625EA6A3089E)



11. The SHMA states that within Oxfordshire it is possible to identify a number of more localised housing markets, including South Oxfordshire, with similarities in terms of housing mix and prices.
12. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Watlington, are closely linked to other areas. In the case of Watlington, changes in need or demand in settlements as well as larger towns and the City of Oxford nearby is likely to impact on the neighbourhood.
13. In summary, Watlington functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (South Oxfordshire District Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

14. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>2</sup> In the case of Watlington, the relevant adopted Local Plan for South Oxfordshire consists of:
15. The South Oxfordshire Local Plan 2035 (adopted December 2020).

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

## Policies in the adopted local plan

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

**Table 2-1: Summary of relevant adopted policies in the South Oxfordshire Local Plan**

Policy	Provisions
Policy H1: Delivering New Homes	<p>1. Residential development (including general market housing and affordable housing within land use class C3, specialist accommodation for older people within land use class C2 or use class C3, and residential caravan and mobile home development) will be permitted at sites allocated or carried forward by this Plan and on sites that are allocated by Neighbourhood Development Plans. Where Neighbourhood Development Plans are not progressed in Larger Villages and market towns, planning applications will be considered against the housing delivery targets for the Towns and Larger Villages set out in this Plan.</p> <p>3. Residential development on sites not allocated in the Development Plan will only be permitted where:</p> <ul style="list-style-type: none"> <li>i) it is for affordable housing on a rural exception site or entry level housing scheme; or</li> <li>ii) it is for specialist housing for older people in locations with good access to public transport and local facilities; or</li> <li>iii) it is development within the existing built-up areas of Towns and Larger Villages as defined in the settlement hierarchy; provided an important open space of public, environmental, historical or ecological value is not lost, nor an important public view harmed; or</li> <li>iv) it is infilling, and brownfield sites within Smaller and Other Villages as defined in the settlement hierarchy; or</li> <li>v) it is brought forward through a Community Right to Build Order; or</li> <li>vi) there are other specific exceptions/circumstances defined in a Neighbourhood Development Plan and/or Neighbourhood Development Orders; or</li> <li>vii) it would bring redundant or disused buildings into residential use and would enhance its immediate surroundings; or</li> <li>viii) the design is outstanding or innovative and of exceptional quality and would significantly enhance its immediate setting.</li> </ul> <p>4. The residential development of previously developed land will be permitted within and adjacent to the existing built-up areas of Towns, Larger Villages and Smaller Villages. The Council will also support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated or unstable land.</p> <p>5. Proposals that will bring empty housing back into residential use will be encouraged.</p>
Table 4f Provision of homes at Larger Villages	<p>The Local Plan aims to achieve 15% growth in housing in the Larger Villages, including Watlington. This implies the provision of 262 homes in Watlington. Together with existing completions and commitments in the plan period, provision would equate to 363 homes within Watlington.</p>

Policy	Provisions
Policy H9: Affordable Housing	<p data-bbox="408 248 1394 302">1. The Council will seek affordable housing contributions in accordance with the criteria set out below:</p> <ul data-bbox="408 309 1394 483" style="list-style-type: none"> <li>• 40% affordable housing on all sites with a net gain of 10 or more dwellings (Use Class C3) or where the site has an area of 0.5 hectares or more; and</li> <li>• 40% affordable housing in respect of all developments within Use Class C2 where the site is delivering a net gain of 10 or more self-contained units; and</li> <li>• within the Areas of Outstanding Natural Beauty (AONB): 40% affordable housing on all sites with a net gain of five or more dwellings or where the site has an area of 0.5 hectares or more.</li> </ul> <p data-bbox="408 524 1394 577">For proposals of less than 10 homes in the AONB, this will be sought as a financial contribution; and</p> <ul data-bbox="408 584 1394 638" style="list-style-type: none"> <li>• on sites adjacent to Oxford City: 50% affordable housing on all sites with a net gain of 10 or where the site has an area of 0.5 hectares or more.</li> </ul> <p data-bbox="408 678 1394 1332">2. Proposals where affordable housing is required should have regard to the following:</p> <ul data-bbox="408 712 1394 1332" style="list-style-type: none"> <li>i) in circumstances where it can be adequately demonstrated that the level of affordable housing being sought would be unviable, alternative tenure mixes and levels of affordable housing provision, may be considered;</li> <li>ii) in cases where the 40% calculation provides a part dwelling, a financial contribution will be sought equivalent to that part residential unit;</li> <li>iii) the Council will expect a tenure mix of 40% affordable rented, 35% social rented and 25% other affordable routes to home ownership with the exception of Land at Berinsfield Garden Village (see specific tenure considerations in Policy STRAT10i);</li> <li>iv) with the exception of part dwellings, the affordable housing should be provided on site and the affordable housing should be mixed with the market housing;</li> <li>v) the affordable housing should meet required standards and should be of a size and type which meets the requirements of those in housing need;</li> <li>vi) affordable housing should be indistinguishable in appearance from market housing on site and distributed evenly across the site, with these units being clustered in groups of no more than 15 homes; and</li> <li>vii) to prevent the artificial subdivision of sites with the same landowner, where land is subdivided to create separate development schemes that cumulatively meet the thresholds of this policy, the Council will consider the site as a whole and will seek affordable housing on each part. The Council will also consider the site as a whole where a developer seeks to amalgamate adjacent sites with the same landowner into a single development thereby meeting the threshold.</li> </ul>
Policy H10: Exception Sites and Entry Level Housing Schemes	<p data-bbox="408 1357 1394 1411">1. Small-scale affordable housing schemes will be permitted outside settlements, provided that:</p> <ul data-bbox="408 1417 1394 1626" style="list-style-type: none"> <li>i) it can be demonstrated that all the proposed dwellings meet a particular local need that cannot be accommodated in any other way;</li> <li>ii) there are satisfactory arrangements to ensure that the benefits of affordable housing remain in perpetuity and that the dwellings remain available for local people;</li> <li>iii) they have no unacceptable impact on amenity, character and appearance, environment or highways; and</li> <li>iv) they do not form an isolated development and have access to local services and facilities.</li> </ul> <p data-bbox="408 1666 1394 1720">2. Planning obligations will be sought before planning permission is issued to ensure that the above conditions are met.</p> <p data-bbox="408 1760 1394 2020">3. Small-scale entry-level housing schemes will be permitted adjacent to existing settlements when the need for such homes is not already being met within the district provided that they are:</p> <ul data-bbox="408 1843 1394 2020" style="list-style-type: none"> <li>i) suitable for first time buyers or those looking to rent their first home;</li> <li>ii) proportionate in scale to the settlement, cumulatively no larger than 1 hectare in size or exceeding 5% of the size of the existing settlement;</li> <li>iii) generating no unacceptable impact on amenity, character and appearance, environment or highways; and</li> <li>iv) located outside Areas of Outstanding Natural Beauty or land designated as Green Belt.</li> </ul>



Policy	Provisions
Policy H11: Housing Mix	<p>1. A mix of dwelling types and sizes to meet the needs of current and future households will be sought on all new residential developments.</p> <p>2. All affordable housing and at least 15% of market housing on sites of 10 dwellings or more should be designed to meet the standards of Part M (4) Category 2: accessible and adaptable dwellings (or any replacement standards).</p> <p>3. At least 5% of affordable housing dwellings should be designed to the standards of Part M (4) Category 3: wheelchair accessible dwellings.</p> <p>4. All affordable housing and 1 and 2 bed market housing dwellings should be designed to meet the Nationally Described Space Standards.</p> <p>5. The mix of housing should have regard to the Council's latest evidence and Neighbourhood Development Plan evidence for the relevant area.</p>
Policy H13: Specialist Housing for Older People	<p>1. Encouragement will be given to developments which include the delivery of specialist housing for older people in locations with good access to public transport and local facilities.</p> <p>2. Local communities will be encouraged to identify suitable sites for specialist housing for older people through the Neighbourhood Planning process.</p> <p>3. Provision should be made for specialist housing for older people within the strategic housing developments allocated in this plan.</p>

*Source: South Oxfordshire Local Plan, Chapter 4 Delivering New Homes*

## Quantity of housing to provide

17. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
18. South Oxfordshire District Council has fulfilled that requirement by providing Watlington with a figure of 262 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.<sup>3</sup> Together with existing completions and commitments, there is the potential to deliver 363 homes, assuming these sites are built out within the plan period.

<sup>3</sup> As confirmed in Table 4f of the South Oxfordshire Local Plan 2035.

## 3. Approach

### Research Questions

19. The following research questions were formulated at the outset of the research through discussion with Watlington Parish Council. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

20. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
21. This evidence will allow Watlington Parish Council 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.
22. A Housing Needs Survey for Watlington has been undertaken by Community First Oxford in 2021. This HNA will draw on the results of this study as well as drawing on information from the Council's waiting list, Oxfordshire SHMA (2014) for general context and AECOM's own affordable housing need models.
23. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

### Type and Size

24. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. There is some concern from the neighbourhood planners that there may be a lack of homes suitable for downsizing. Conversely, more recently, developers have been looking to change plans where these focus on larger homes (4-5 bed) and switch to modest sized homes (2-3 bed).
25. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
26. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
27. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding

features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and other evidence should be layered to create a more complete picture and vision for the future.

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

## Specialist Housing for Older People

28. This chapter supplements the demographic evidence under the 'Type and Size' Research Question, and considers the size of the older population in the Parish, how it is expected to grow, how older households are currently accommodated and the potential demand for housing with care (either mainstream housing or specialist schemes).

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

## Relevant Data

29. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census where more recent data is not available and includes a range of current data sources, including:

- Other Office of National Statistics (ONS) datasets providing up-to-date demographic information eg parish population estimates (2020 estimates), earnings and household incomes (2018 estimates);
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing (2020);
- Land Registry data on prices paid for housing within the local market (2020);
- Rental prices from [Home.co.uk](https://www.home.co.uk) and Rightmove (current);
- Local Authority housing waiting list data (current); and
- Watlington Housing Need Survey (2021) and Oxfordshire SHMA (2014)

30. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

***RQ[1]: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, First Homes, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

1. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
2. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
3. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>4</sup>
4. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
  - First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

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<sup>4</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

## Current tenure profile

5. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
6. Table 4-1 below presents data on tenure in Watlington compared with South Oxfordshire and England from the 2011 Census, which is the most recent available source of this information.
7. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Watlington the private rented sector expanded by 74.2% in that period, a rate of growth that is consistent with South Oxfordshire and slightly below England for the period.
8. The majority of Watlington households are home owners (71.4%), consistent with the proportion in the District as a whole but substantially above the proportion of home ownership in England. If the parish has followed national trends since 2011, the proportion of home owners may have declined slightly, with growth in the private rented sector.
9. Both the social (12.5% of households) and private rented sectors (14.2% of households) within Watlington are smaller than the national average but larger than in the district as a whole (see Table 4-1). It is notable that the social rented sector in the district as a whole is small (11.4% of households in 2011) compared to the national average. It is likely that

Watlington, whilst small in size, provides an important role in meeting both district as well as local (parish) needs for affordable housing.

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

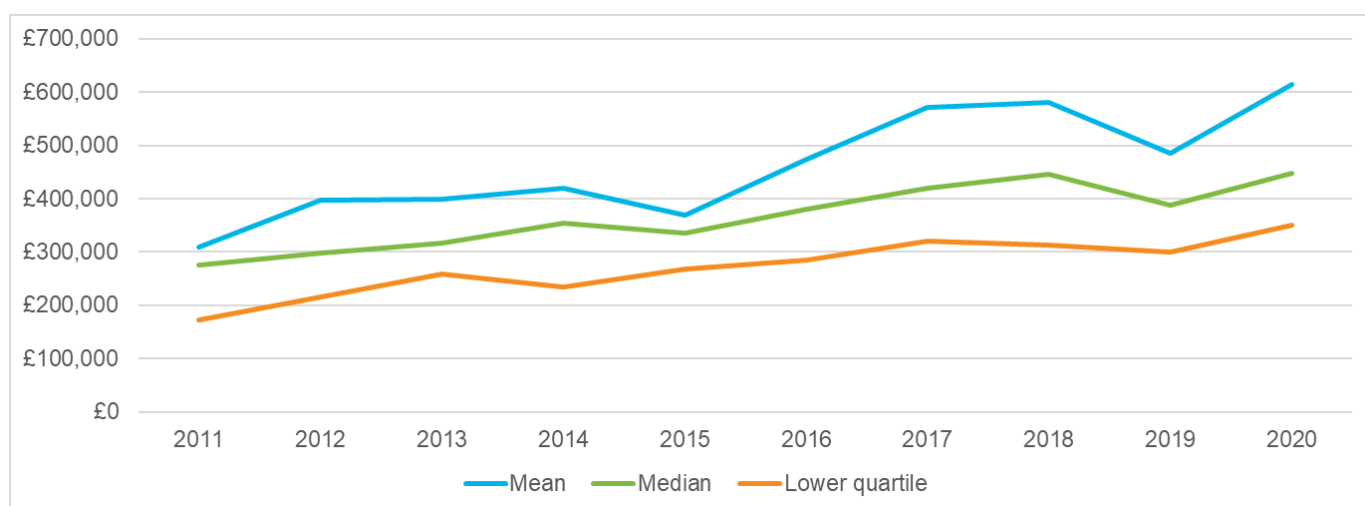
<b>Tenure</b>	<b>Watlington</b>	<b>South Oxfordshire</b>	<b>England</b>
Owned; total	71.4%	72.9%	63.3%
Shared ownership	0.7%	0.8%	0.8%
Social rented; total	12.5%	11.4%	17.7%
Private rented; total	14.2%	13.3%	16.8%

Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

10. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
11. Figure 4-1 below looks at selected measures of house prices in Watlington. It shows that average prices (both mean and median) have increased substantially over the 10 year period. Mean average house price growth is higher than median and the lower quartile benchmarks but is skewed by the sale of a small number of very high priced properties.
12. Median average prices (the middle price if sorting prices from smallest to largest) were £447,000 in 2020, having increased by 62.5% since 2011, absolute growth of £172k in 10 years (Table 4-3 below).
13. Lower quartile prices doubled over 2011-2020 (increased by 102%). Lower quartile prices in 2020 were £350k with absolute price growth similar to median average prices. This is likely to have resulted in substantial affordability challenges for first time buyers and other households needing lower priced properties.

**Figure 4-1: House prices by quartile in Watlington, 2011-2020**

Source: Land Registry PPD

14. Table 4-2 below breaks down house prices by type, presenting the median within each type. It shows that terraced properties experienced the most rapid growth in price over the 10 years to 2020. The price of terraces doubled to around £375k in 2020. Flat price increased were more modest (27.3% over the period) and these properties provide the cheapest option within the parish, but flats accounted for just over 10% of dwellings in 2011 (just 127 properties) and so the availability of these cheaper properties is more limited.
15. Detached properties experienced substantial price growth 2011-2020, at 77.4%. The average detached properties in Watlington in 2020 was priced at £805,000.

**Table 4-2: Median house prices by type in Watlington, 2011-2020**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£454k	£675k	£675k	£590k	£623k	£720k	£640k	£790k	£715k	£805k	77.4%
Semi-detached	£293k	£360k	£295k	£340k	£354k	£371k	£415k	£389k	£369k	£400k	36.5%
Terraced	£185k	£231k	£315k	£250k	£308k	£315k	£330k	£275k	£327k	£375k	103.1%
Flats	£165k	£125k	£124k	£163k	£123k	£155k	£169k	£225k	£285k	£210k	27.3%
<b>All Types</b>	<b>£275k</b>	<b>£298k</b>	<b>£316k</b>	<b>£355k</b>	<b>£335k</b>	<b>£380k</b>	<b>£420k</b>	<b>£447k</b>	<b>£388k</b>	<b>£447k</b>	<b>62.5%</b>

Source: Land Registry PPD

## Income

16. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
17. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £56,000 in 2018. A map of the area to which this data applies is provided in Appendix A.
18. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While

this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. South Oxfordshire's gross individual lower quartile annual earnings were £18,569 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,138.

19. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## **Affordability Thresholds**

20. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
21. AECOM has determined thresholds for the income required in Watlington to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
22. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
- 23.



24. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
25. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-3: Affordability thresholds in Watlington (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £56,600	Affordable on LQ earnings (single earner)? £18,569	Affordable on LQ earnings (2 earners)? £37,138
<b>Market Housing</b>						
Median House Price	£402,300	-	<b>£114,943</b>	No	No	No
LA New Build Mean House Price	£387,801		<b>£110,800</b>	No	No	No
LQ/Entry-level House Price	£315,000	-	<b>£90,000</b>	No	No	No
Average Market Rent	-	£18,720	<b>£62,400</b>	No	No	No
Entry-level Market Rent	-	£15,300	<b>£51,000</b>	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£281,610	-	£80,460	No	No	No
First Homes (-40%)	£241,380	-	£68,966	No	No	No
First Homes (-50%)	£201,150	-	£57,471	Marginal	No	No
Shared Ownership (50%)	£201,150	£5,588	<b>£76,096</b>	No	No	No
Shared Ownership (25%)	£100,575	£8,381	<b>£56,673</b>	No	No	No
Shared Ownership (10%)	£40,230	£10,058	<b>£45,019</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£9,013	<b>£30,014</b>	Yes	No	Yes
Social Rent	-	£5,867	<b>£19,536</b>	Yes	No	Yes

Source: AECOM Calculations

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

### Market housing for purchase and rent

27. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of around £114k, double the current average (£56,600).
28. Private renting is generally only affordable to households on higher than average incomes with average market rents accessible to those with incomes of £62,400. Households on average incomes would be able to afford an entry level rented property. However, households made up of one or two lower quartile earners cannot afford even entry level rents according to this analysis. Affordability is improved if households are

able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. It is important to emphasise that the cost of renting in the parish is based on a small sample size of properties (fewer than 10 on the market for rent at the time). Whilst private renting is relatively affordable compared to market sale, the availability of rented homes appears very restricted and so, in practice, this more affordable option may not be accessible in practice.

### **Affordable home ownership**

29. There is a relatively large group of households in Watlington who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £51,000 per year (at which point entry-level rents become affordable) and £90,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
30. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
31. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels (see Table 4-4). In Table 4-4, First Homes discounts are calculated in relation to median house prices which are used as a proxy for new build properties. Only discounts of 50% on median prices would bring prices within reach of households on average incomes and even this level of discount is only at the margins of affordability for these households. It is also relevant to note that discounts of 30% would be insufficient to bring the discounted sale price below a value of £250,000. As such, higher discounts (above 30%) would be required in Watlington to be compliant with policy.

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

<b>Tenure/product</b>	<b>Mean Income</b>	<b>LQ Income x1</b>	<b>LQ Income x2</b>
NA Median house price	51%	84%	68%
LA New build mean house price	49%	83%	66%
NA Entry-level house price	37%	79%	59%

Source: Land Registry PPD; ONS MSOA total household income

32. Table 4-5 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the

wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given above.

33. It is relevant to note that where First Homes discounts are calculated in relation to new build homes in the District, the discount required is very similar to that required on median priced properties in the parish. This data suggests large discounts of 40-50% are likely to be needed to make First Homes affordable to households on average incomes in Watlington.
34. Shared ownership appears to be broadly accessible to the same income groups as First Homes, with the exception of shared ownership at 10% shares. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>5</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
35. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
36. The income required to access rent to buy is assumed to be the same as that required to afford market rents. The rent to buy product allows households to rent at a discount (usually at a 20% discount on private rents) to enable them to save for a deposit with the option to purchase their property within a set time period. If rent to buy can be offered at a discount on entry level rents in Watlington, on this basis, it would offer a more affordable route to home ownership than First Homes and shared ownership. It would also offer a route to home ownership for households who lack sufficient deposits to access other affordable home ownership products.
37. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
  - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings

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

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

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

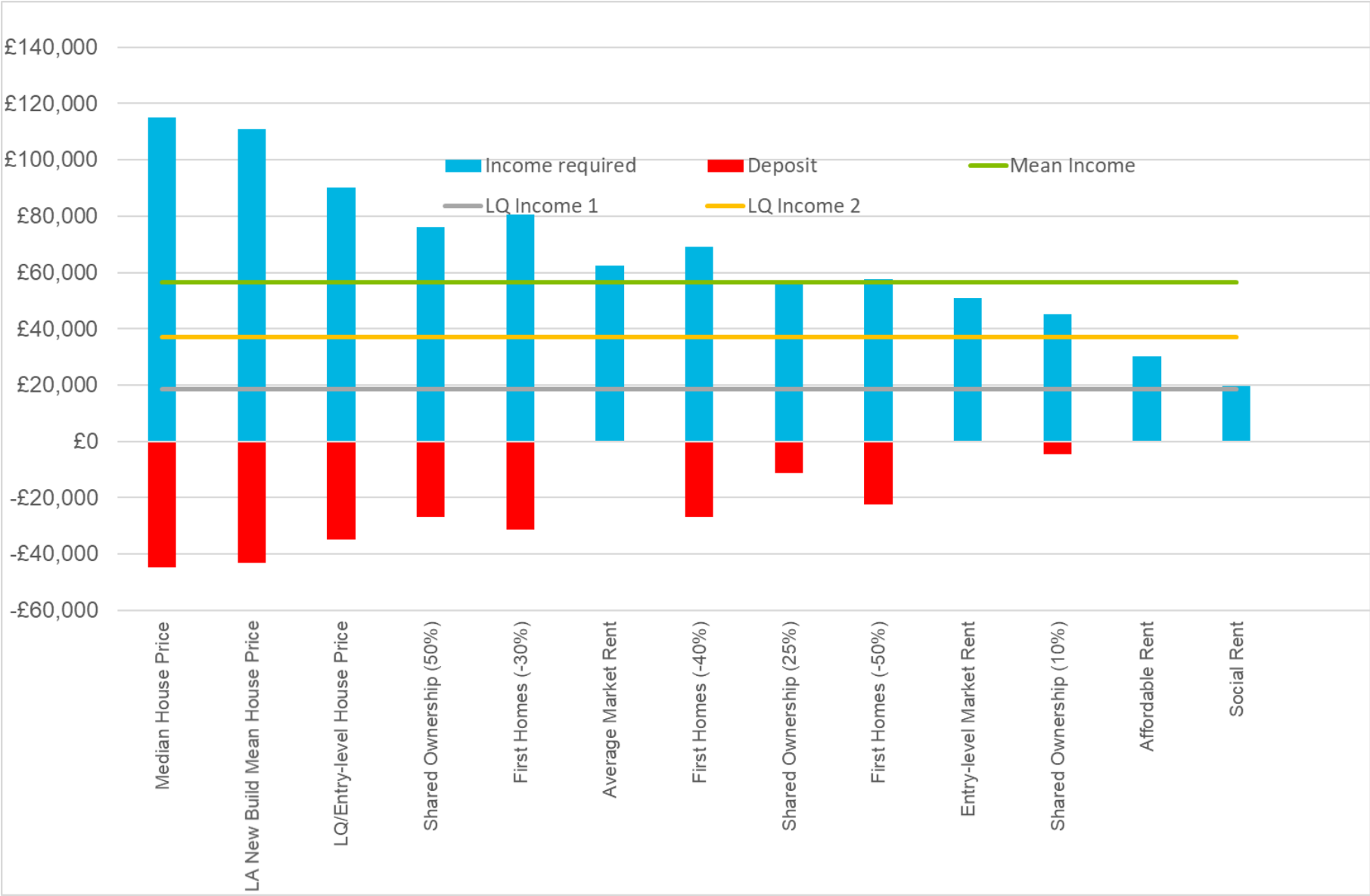
38. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy is helpful to those with little or no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

### **Affordable rented housing**

39. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

40. The evidence in this chapter suggests that the social/affordable rented sector performs a vital function in Watlington as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. However, where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2: Affordability thresholds in Watlington, income required (additional cost of deposit in red)



Source: AECOM Calculations

## **Affordable housing- quantity needed**

41. The starting point for understanding the need for affordable housing in Watlington is the relevant Strategic Housing Market Assessment (SHMA) and the Watlington Housing Need Survey. A SHMA was undertaken for South Oxfordshire in 2014 with a HNS for the parish undertaken by Community First Oxfordshire in 2021.

### **Oxfordshire SHMA 2014**

42. The SHMA estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 386 additional affordable homes each year in South Oxfordshire as a whole. However, this need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.
43. When the SHMA figures are pro-rated to Watlington based on its fair share of the population (2% of the LPA's population in 2011), this equates to 8 (rounded) homes per annum (predominately for social/affordable rent). Given that the SHMA is now dated and did not include localised data, it is useful to consider evidence at the parish level, provided by the Watlington HNS in 2021, and AECOM's own models as a cross check on these different approaches.

### **Watlington Housing Need Survey 2021**

44. Around one third of households in the parish responded to the HNS. Amongst respondents, the survey was able to identify 24 households in need of affordable housing and with a strong local connection in line with Local Plan policy. Of these households, 9 need rented accommodation and 15 need affordable home ownership options. These households need a range of properties sizes (predominately 1-3 bedrooms) with 2 bedroom homes being the most common size amongst these households.
45. The survey also identified 7-8 individuals who had left the parish in recent years (last 5 years) because of a lack of affordable housing for them. Views amongst the vast majority of respondents to the survey supported the provision of affordable housing to meet the needs of households with a local connection.

### **AECOM estimates of Affordable Housing Needs in Watlington**

46. Whilst the SHMA 2014 provides a starting point for the scale of need within the district and Watlington's potential share of this need, if it were allocated on the basis of population, this evidence is dated. The HNS 2021 provides up to date and detailed insight into the needs of local households but does not attempt to scale this up to the parish as a whole or estimate what might be required over the plan period. As such, it is useful to provide estimates of the need for affordable rented and affordable home ownership needs for the parish over the plan period.
47. In Table 4-6 below we have calculated, using PPG as a starting point,<sup>6</sup> an estimate of the total need for affordable rented housing in Watlington over the Plan period.

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<sup>6</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

48. It should also be noted that figures in



**Figure 4-7: Estimate of the potential demand for affordable housing for sale in Watlington**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	197.5	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	13.4%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	26.5	Step 1.1 x Step 1.2.
1.4 Current need (households)	128.3	Current renters minus those on housing benefit and minus 25% assumed to rent by choice.
1.5 Per annum	7.1	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	127.2	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	12.3%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need per annum	15.6	Step 2.3 divided by plan period.
2.4 Total newly arising need	1.2	Step 2.1 x Step 2.2.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	17.9	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0.9	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) over the plan period	133.8	
Overall shortfall (or surplus) per annum	<b>7.4</b>	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

49. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. These issues were picked up in the Watlington HNS. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership. No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
50. The result of the calculation is 7 households per annum who may be interested in affordable home ownership (or 133 for the Plan period).
51. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the limited supply of shared ownership in the NA currently.

52. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
53. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
54. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.
55. 4-6 are largely dependent on information provided by South Oxfordshire in its capacity as manager of the local housing waiting list. There are currently 75 households on the waiting list for affordable (rented) housing within Watlington. This figure is substantially higher than the 24 households identified in the HNS, of which only 9 of these households needed rented housing. The waiting list does not verify if these 75 households have a strong local connection to Watlington but this data suggests that current needs may be higher than those identified by the HNS.
56. This estimate also suggests that, over the Plan period, 29 (rounded) additional households in the Neighbourhood Plan area will fall into need, equating to 1.6 per annum over the plan period. Supply through re-lets within the existing stock of social rented housing in Watlington is used to offset these needs. The result suggests a net shortfall of 13 affordable rented homes over the plan period, 1 home per annum (rounded).
57. As such, it is recommended that Watlington considers encouraging the delivery of some affordable rented housing. AECOM's estimate suggests a modest need for additional rented housing. However, this is based on an estimate of localised needs. It does not take account of any role Watlington plays in meeting wider needs within the District. The SHMA 2014, though dated, suggests there would be need for 8 (rounded) homes per annum to meet a population based shared of the District's need.

**Table 4-6: Estimate of need for Affordable Housing for rent in Watlington**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	75.0	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Replace with neighbourhood level data if provided by LA.
1.2 Per annum	4.2	1.1 divided by the plan period 2017-2035
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	127.2	MHCLG 2018-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	22.6%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in parish	167.7	2011 Census + LA-level % increase
2.2.2 Number of private renters on housing benefits	26.5	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	28.8	Step 2.1 * Step 2.2
2.4 Per annum	<b>1.6</b>	Step 2.3 divided by plan period 2017-2035
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	5.0	Step 3.1 x NA social rented stock (2.2.1)
<b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM</b>		
Overall shortfall (or surplus) per annum	0.7	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the plan period	13.3	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

58. Turning to affordable home ownership, Table 4-7 below estimates the potential demand in Watlington. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

**Figure 4-7: Estimate of the potential demand for affordable housing for sale in Watlington**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	197.5	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	13.4%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	26.5	Step 1.1 x Step 1.2.
1.4 Current need (households)	128.3	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>7</sup>
1.5 Per annum	7.1	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	127.2	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	12.3%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need per annum	15.6	Step 2.3 divided by plan period.
2.4 Total newly arising need	1.2	Step 2.1 x Step 2.2.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	17.9	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0.9	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) over the plan period	133.8	
Overall shortfall (or surplus) per annum	<b>7.4</b>	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

59. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. These issues were picked up in the Watlington HNS. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This is assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to

<sup>7</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

home ownership.<sup>8</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

60. The result of the calculation is 7 households per annum who may be interested in affordable home ownership (or 133 for the Plan period).
61. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the limited supply of shared ownership in the NA currently.
62. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
63. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
64. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

### **Affordable Housing policy guidance**

65. South Oxfordshire's adopted policy on this subject Policy H9 – Affordable Housing requires 40% of all new housing to be affordable. Given that there were a limited number of completions in the parish in the last 10 years (38 since 2011), the delivery of Affordable Housing is likely to have been limited.
66. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
67. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is also specified in Policy H9 in the Local Plan. This HNA and evidence from the HNS can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Watlington specifically.

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<sup>8</sup> <http://www.ipsos-mori-generations.com/housing.html>

68. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Watlington requires roughly 13 units of affordable rented housing and 133 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that affordable home ownership should be prioritised over affordable rented housing in terms of the scale of needs. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

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

If the Local Plan target of 40% were achieved on every site, up to around 105 affordable homes might be expected in the NA (based on requirement of 262 homes delivering 40% Affordable Housing). The figure would be higher if all of the requirements and current permissions and commitments were delivered during the plan period (363 x 40% could provide 145 Affordable Homes).

The majority of Watlington's requirement is expected to come forward on 3 sites which are large enough to qualify for the provision of Affordable Housing. This suggests that it should be possible to provide sufficient affordable rented housing to meet the needs identified in this HNA as well as providing a substantial contribution to meeting potential demand for affordable home ownership.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. South Oxfordshire's Local Plan policy H9 meets this requirement by requiring 25% of Affordable Housing to be provided as affordable home ownership, which is equivalent to 10% of all housing.
- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 75% rented (40% affordable rented, 35% social rented) and 25% affordable home ownership.
- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing

secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This is not the case in the Local Plan policy since affordable rented tenures should account for 75% of Affordable Housing.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Watlington:** Whilst the size of the social rented sector in the parish is larger than in the district as a whole, it is small by national standards. The shared ownership sector is consistent with the district and England levels but is likely to only account for around 1% of the overall housing stock. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Watlington and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These

wider considerations may influence the mix of Affordable Housing provided.

69. On the basis of the considerations above, Table 4-8 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

**Table 4-8: Indicative tenure split for Affordable Housing based on neighbourhood needs**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>40%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc. Only affordable to average income households if discounts of 50% secured.
Shared ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>60%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

*Source: AECOM calculations*

70. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be sufficient to meet the needs for affordable rented housing and so it would be possible to seek a greater proportion of affordable home ownership products. The Local Plan guideline mix of 75% rented to 25% ownership clearly prioritises affordable rented housing across the District. If the Neighbourhood Plan wishes to secure a higher proportion of affordable home ownership products, this would need to be discussed with the LPA to ensure that Watlington's role in meeting any district wide needs is reflected. A further advantage of a slightly higher proportion of affordable home ownership is that it would enable the delivery of other products in addition to First Homes.
71. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
72. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around



sub-tenures, it is important that they liaise with South Oxfordshire to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

73. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

## **Conclusions- Tenure and Affordability**

74. The majority of households in Watlington live in the owner occupied sector, though the proportion is consistent with the district, higher than the proportion of owners in England as a whole. Both the social and private rented sectors are larger, in terms of share of households, than in South Oxfordshire, but small by national standards.
75. House prices have risen substantially in the last 10 years with median average prices increasing by 62% since 2011. Average prices in 2020 were £447,000. Lower quartile prices have doubled over the same period and were £350,000 in 2020, illustrating the challenge for first time buyers and other households on lower incomes.
76. Average household incomes in Watlington are estimated to be around £56,600, with lower quartile earnings substantially lower. Even households on average incomes are unable to afford entry level home ownership. Entry level market rents are affordable to this group though availability of rented properties is very limited (see Section 5). Affordable home ownership products offer the potential to extend home ownership to more households in the parish, with the largest discounts (eg First Homes at 50% discount) required to extend home ownership to households on average incomes.
77. It is difficult to be definitive about the scale of need for Affordable Housing in Watlington. From the parish perspective there is a limited but urgent need for some affordable rented housing and more substantial potential demand for affordable home ownership.
78. Watlington is likely to play a role in meeting some of the wider needs of the district and these may need to be taken into consideration in developing any neighbourhood specific tenure mix (as proposed here).
79. The housing requirement for Watlington, along with existing planning permissions and commitments has the potential to provide 363 new dwellings over the plan period to 2035. If 40% of these homes are provided as Affordable Housing, in line with Local Plan policy, up to 145 Affordable Homes could be delivered in the parish. In practice, the figure is likely to be lower because not all sites will meet affordable housing thresholds (or 10 dwellings or more).
80. Table 4-9 below summarises Watlington's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise

simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 4-9: Estimated potential delivery of Affordable Housing in Watlington**

	Step in Estimation	Potential delivery
A	Provisional capacity (housing requirement of 262 plus additional permissions and commitments)	363
B	Affordable housing quota (%) in LPA's Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	145
D	Rented % (e.g. social/ affordable rented)	60%
E	Rented number (C x D)	87
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%
G	Affordable home ownership number (C x F)	73

*Source: AECOM estimate based on LPA's affordable housing policy of 40% affordable housing, AECOM's indicative tenure mix for the parish*

81. This potential level of delivery would meet the identified need for affordable rented housing locally (the parish level estimates in this report). There may be wider need for affordable rented housing in the District as a whole and so the delivery of Affordable Housing and the mix pursued may need to take account of strategic needs. Adopting a tenure mix that differs from the adopted Local Plan policy would require close engagement with the LPA.
82. 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. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

## 5. RQ 2: Type and Size

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

### Introduction

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

### Existing types and sizes

#### Background and definitions

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

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

89. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. Census 2011 data is used as it reflects the actual parish boundaries. The evidence from the Census 2011 is unlikely to have changed substantially as there have been limited housing completions since 2011 (net completions of 38 dwellings). However, the size mix of properties can also change through extension and conversion so some change will have occurred even without significant development. Valuation Office Agency (VOA) data from 2020 is up to date but data at the parish level is not available. This HNA draws on MSOA level VOA data, an area wider than the parish with around double the number of properties, but it is likely to be representative of the mix of housing in Watlington since it does not contain any larger settlements. The most appropriate combination of approaches is used in this section.

## Dwelling type

90. There were 1,221 dwellings in Watlington parish in 2011, with a further 38 completions since, taking the stock to around 1,259 dwellings (estimated). Table 5-1 shows that the largest proportion of homes are semi detached (38.4%) followed by 32.4% detached homes. There are smaller proportions of terraces and flats.
91. VOA 2021 data for the wider MSOA area suggests that this mix has remained broadly stable. As well as relating to different geographical areas, the VOA data separates out bungalows and so the two sources cannot be compared directly. Nevertheless, the mixes are not radically different. It is also useful to see that the proportion of bungalows in the stock is likely to be limited.

**Table 5-1: Accommodation type, Watlington, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	~	8.9%
Flat	10.5	6.5%
Terrace	18.0%	16.9%
Semi-detached	38.4%	31.5%
Detached	32.4%	34.7%
Unknown/other	~	1.6%
Total	100%	100%

Source: ONS 2011, VOA 2021, AECOM Calculations. NB: VOA data relates to the MSOA geography which is wider than the Parish so is used here to give an indication of the mix in 2021.

92. The VOA data (MSOA area wider than the parish) can be compared to the mix in the wider district and country. Table 5-2 uses VOA data. Watlington has a large share of detached and semi detached properties compared to both the district and

country as a whole. Unsurprisingly, the share of flats and terraces is small compared to the district and England. This suggests a housing stock with a larger bias in the size of dwellings compared to the district and country. The size (number of bedrooms) of properties is examined below.

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

Dwelling type	Watlington (MSOA area)	South Oxfordshire	England
Bungalow	8.9%	10.3%	9.4%
Flat	6.5%	12.1%	23.2%
Terrace	16.9%	20.7%	26.3%
Semi-detached	31.5%	27.0%	23.8%
Detached	34.7%	27.7%	16.0%
Unknown/other	1.6%	2.2%	1.4%

Source: VOA 2021, AECOM Calculations

93. A comparison based on the Census 2011 data, which provides parish level data, is consistent with the 2021 VOA evidence of a bias towards larger dwelling types and low proportion of flats.

**Table 5-3: Accommodation type, Watlington, 2011**

Dwelling type	Watlington	South Oxfordshire	England
Detached	32.4%	35.8%	22.4%
Semi-detached	38.4%	32.3%	31.2%
Terraced	18.0%	19.0%	24.5%
Purpose-built block of flats or tenement	7.7%	8.7%	16.4%
Parts of a converted or shared house	0.7%	1.5%	3.8%
In commercial building	2.0%	1.0%	1.0%

Source: ONS 2011, AECOM Calculations

## Dwelling size

94. Table 5-4 presents data on the size mix in terms of number of bedrooms in Watlington. The Census 2011 data is dated but related to the parish area. The VOA 2021 data is up to date but covers the wider MSOA area. Both data sets highlight the dominance of 3 bedroom homes in the stock of the NA. It is unclear whether 2 or 4 bedroom homes are second most common in 2021. Completions data for Watlington suggests there has been some demolition of larger properties to provide 2 or more small homes since 2011. However, these are relatively small in number, with only 38 net completions in total since 2011, so they are unlikely to have changed the profile of the stock substantially. The other notable pattern in the data on recent completions is some small scale conversion of office or commercial buildings to provide housing (largely flats). The VOA 2021 data suggests 4 bedroom homes have a larger share, counter to what might be expected if these completion patterns have altered the stock profile, but this data covers a wider area including more rural areas where larger properties may be more common.

95. Nevertheless, both data sets show a bias towards larger properties – 3 bed and larger. 1 and 2 bed properties make up smaller shares of the stock. This is also apparent when compared to the district and England profiles in Table 5-5. There are substantially larger shares of 3 and 4 bedroom homes that compared to England but Watlington's size mix is similar to the district as a whole.

**Table 5-4: Dwelling size (bedrooms), Watlington, 2011 and 2021**

Number of bedrooms	2011 (Census) - Parish	2021 (VOA) – MSOA area
Studio	0.0%	~
1	8.8%	7.0%
2	25.0%	21.5%
3	39.9%	42.1%
4+	26.3%	28.9%
Unknown	~	0.6%
Total	100%	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

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

Number of bedrooms	Watlington	South Oxfordshire	England
1	7.0%	7.4%	12.0%
2	21.5%	25.4%	27.7%
3	42.1%	43.4%	43.0%
4+	28.9%	23.6%	15.2%

Source: VOA 2021, AECOM Calculations

## Age and household composition

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

### Age structure

97. Table 5-6 below shows the most recent estimated age structure of the NA population (2020 ONS parish population estimates), alongside 2011 Census figures. The largest age group is aged 45-64 and the data from 2020 suggests growth in the oldest age groups (65+) since 2011. This is consistent with the ageing population nationally and a common pattern found in most neighbourhoods with the exception of larger towns and cities. Whilst younger working age people (16-24 and 25-44) are a substantial group in the population, accounting for almost a quarter of people in 2020, this group appears to have declined in size. The number and proportion of children also appears to have fallen since the Census 2011. These estimates point to a fall in the number and proportion of younger family households.

98. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
99. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter. However, it is worth keeping in mind that the ONS estimates suggest a decline in younger family households and growth in older households.

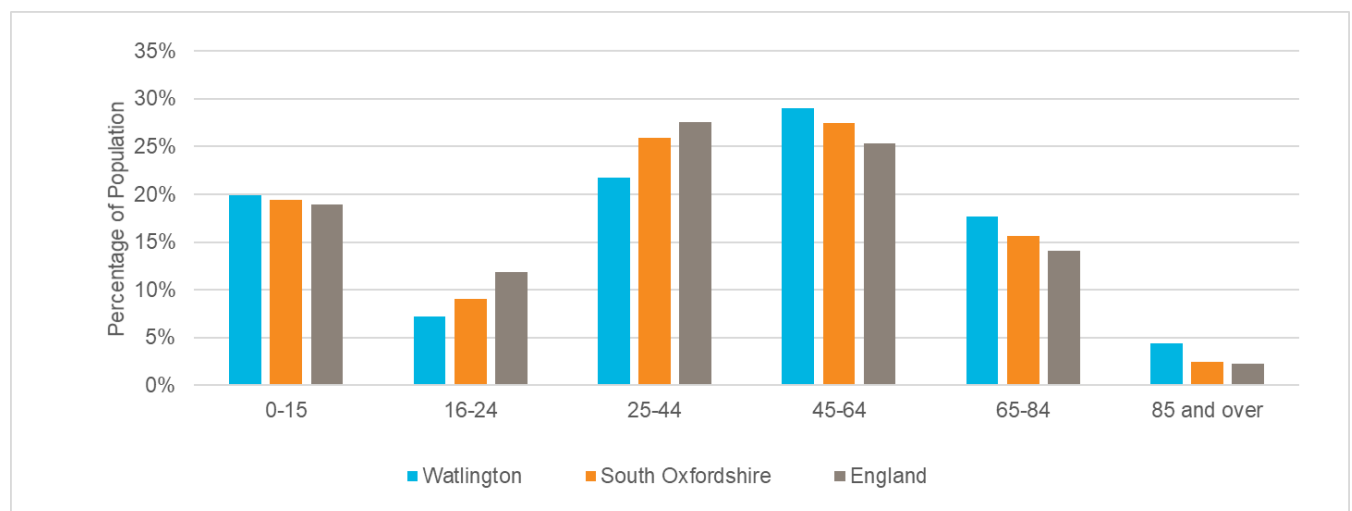
**Table 5-6: Age structure of Watlington population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	544	20%	448	17.3%
16-24	197	7%	198	7.6%
25-44	594	22%	428	16.5%
45-64	790	29%	831	32.0%
65-84	482	18%	578	22.3%
85 and over	120	4%	113	4.4%
Total	2,727	100%	2,596	100%

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

100. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that Watlington had an older bias to its population in 2011 compared to the district and England with larger shares in the older age groups compared to the benchmark areas.

**Figure 5-1: Age structure in Watlington, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

101. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-7 shows that Watlington had a substantially larger share of older households, particularly single older people, in 2011 when compared to South Oxfordshire and England. This is considered in further detail in the next chapter of this HNA. Aside from the larger share of older households, the share of other households in the population is not dissimilar to South Oxfordshire. The proportion of households with children is slightly lower but still slightly above the share in England as a whole.

**Table 5-7: Household composition, Watlington, 2011**

Household composition		Watlington	South Oxfordshire	England
One person household	Total	29.2%	25.4%	30.2%
	Aged 65 and over	16.5%	12.1%	12.4%
	Other	12.7%	13.2%	17.9%
One family only	Total	66.3%	68.8%	61.8%
	All aged 65 and over	10.8%	10.5%	8.1%
	With no children	20.7%	20.5%	17.6%
	With dependent children	27.1%	28.2%	26.5%
	All children Non-Dependent <sup>9</sup>	7.7%	9.6%	9.6%
Other household types	Total	4.5%	5.8%	8.0%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

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

- The starting point is the age distribution of Watlington households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested

<sup>9</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.



by the latest household projections. This allows for an estimate of how the parish population might evolve in future.

- ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
  - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

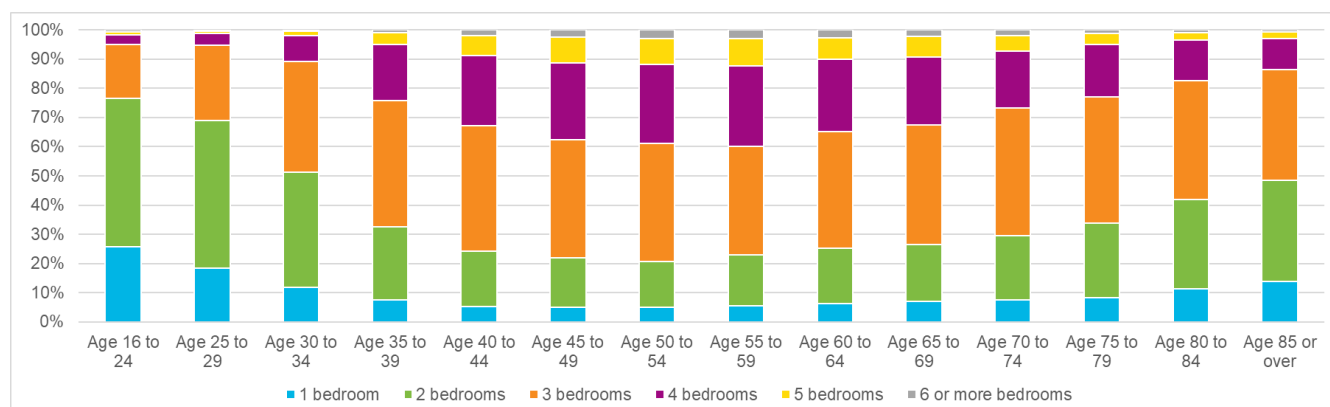
103. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

104. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

105. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

106. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for South Oxfordshire in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

**Figure 5-2: Age of household reference person by dwelling size in South Oxfordshire, 2011**



Source: ONS 2011, AECOM Calculations

107. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Watlington households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with 57% growth in older (65+) households from 2011 to 2035. The only other household group expected to grow is that aged 55-64, with expected decline in the number of younger households. It is important to emphasise that this projection is based on anticipated trends at the district level. However, Watlington's share of older households in 2011 and increase since 2001 suggests that growth is likely to be driven by older age groups.

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

Year	Age of HRP and under 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	13	78	450	215	388
2035	11	73	421	235	607
% change 2011-2035	-14%	-7%	-6%	9%	57%

Source: AECOM Calculations

108. The final result of this exercise is presented in Table 5-9 below. The model suggests that a broad balance of different sized homes is required to meet demographic changes and taking into consideration the mix of homes in the existing stock. It is worth noting that this mix suggests a substantial share of larger homes, since this exercise tends to reinforce existing trends. The neighbourhood planner and LPA may wish to change the existing stock profile as part of a strategy

to alter the role of the neighbourhood in the wider area, or to encourage or support the provision of housing for particular households.

**Table5-9: Suggested dwelling size mix to 2035, Watlington**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Indicative mix 2035</b>	<b>Balance of new housing to reach indicative mix</b>
1 bedroom	8.8%	7.8%	2.2%
2 bedrooms	25.0%	23.3%	13.6%
3 bedrooms	39.9%	40.5%	43.9%
4 bedrooms	19.0%	20.6%	30.1%
5 or more bedrooms	7.3%	7.8%	10.1%

Source: AECOM Calculations

109. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
110. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
111. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms could help to address this situation.
112. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
113. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is

needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.

## **Conclusions- Type and Size**

114. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
115. Watlington has a bias towards older households and has experienced growth in the older population in recent years. This is consistent with national trends. There is a substantial proportion of family households within the parish but younger households are expected to decline in their share of the population over the plan period. The growth in house prices and declining affordability in the parish is likely to be a contributing factor and this concern was also raised in the responses to the parish Housing Need Survey.
116. The housing stock in the parish is biased towards larger properties of 3 or more bedrooms in semi detached and detached properties. There are relatively fewer flats compared to the district and England and consequently a smaller share of smaller (1 and 2 bedroom properties).
117. Household projections and modelling in this HNA based on the profile of the existing stock suggest a need for all different sizes of properties over the plan period. The modelling, which relies on projections based on existing trends, suggests the need for substantial provision of larger dwellings, though it is important to note that this reinforces existing patterns on the neighbourhood. The Neighbourhood Plan and strategies at the district level may wish to change these patterns. The mix of homes provided in Watlington could also reflect how the planners wish to change the role of the settlement or encourage and support particular groups of households to live in the area.

## 6. RQ 3: Specialist housing for older people

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

### Introduction

118. This chapter considers in detail the specialist housing needs of older people in Watlington and how older people are accommodated within the mainstream housing stock. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

119. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

120. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

121. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,<sup>10</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

122. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

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<sup>10</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>11</sup>

123. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>12</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

## Current supply of specialist housing for older people

124. When determining an estimate for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
125. Table 6-1 below counts a total of 103 units of specialist accommodation in the NA at present, with a further 41 homes due to be completed in 2022. There are broadly equal proportions of housing to rent and to buy although a new scheme will be completed in 2022 which will provide a substantial number of additional market properties. All of the current supply, including the Castle Gardens scheme due for completion in 2022 is age restricted or retirement housing. There is only limited management or care provided as part of these schemes and in many ways they are no different to mainstream housing.

**Table 6-1: Existing specialist housing for older people in Watlington**

	Name	Description	Units	Tenure	Type
1	Chapel Street	4 x 1 bed bungalows	4	Rent	Age restricted bungalows
2	Old School Place, Gorwell	1 & 2 bed flats	34	Rent	Age restricted
3	Orchard Walk, Love Lane	Houses with resident management staff and careline service	51	Leasehold	Retirement housing
4	Pauls Way/ Love Lane	14 x 1 bed bungalow, non resident management staff	14	Rent	Retirement housing
5	Castle Gardens	41 retirement properties to <b>be completed in 2022</b>	41	Freehold	Age restricted, houses

Source: <http://www.housingcare.org>

126. ONS 2020 population estimates suggest that there are currently around 373 individuals aged 75 or over in Watlington. This suggests that current provision is in the region of 276 units per 1,000 of the 75+ population (a common measure of

<sup>11</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>12</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

specialist housing supply). This is a relatively high level of provision compared to many parishes and is likely to reflect the role Watlington plays in meeting needs of the wider area and South Oxfordshire district.

## Tenure-led projections

127. Turning to estimating future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across South Oxfordshire, as this is the most recent and smallest geography for which tenure by age bracket data is available.
128. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2035. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
129. According to Table 6-2 below, the vast majority of older households in South Oxfordshire are owner occupiers (83.7%). Almost 10% of older households live in the social rented sector but very few (6.6%) rent in the private rented sector (including those living rent free).

**Table 6-2: Tenure of households aged 55-75 in South Oxfordshire, 2011**

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
83.7%	59.9%	23.8%	16.3%	9.8%	5.3%	1.3%

Source: Census 2011

130. The next step is to project how the overall number of older people in Watlington is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for South Oxfordshire at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in

131. Table **6-3** below. These projections expect the older population (aged 75+) to account for 19.4% of the population in Watlington by 2035, compared to 11.5% in 2011. The absolute growth over the period 2011 to 2035 is expected to be 269 people aged 75 and over.



**Table 6-3: Modelled projection of the older population in Watlington by end of Plan period**

Age group	Census 201		2035	
	Watlington	South Oxfordshire	Watlington	South Oxfordshire
All ages	2,727	134,257	2,993	147,334
75+	313	11,340	582	21,076
%	11.5%	8.4%	19.4%	14.3%

Source: ONS SNPP 2016, AECOM Calculations

132. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).
133. The people whose needs are the focus of the subsequent analysis are therefore the additional 269 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in South Oxfordshire in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 11,340 individuals aged 75+ and 7,986 households headed by a person in that age group. The average household size is therefore 1.42, and the projected growth of 269 people in Watlington can be estimated to be formed into around 189 households.
134. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4 below. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4: Projected tenure of households aged 75+ in Watlington to the end of the Plan period**

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
158	113	45	31	19	10	2

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

135. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 below presents this data for Watlington from the 2011 Census.

Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

**Table 6-5: Tenure and mobility limitations of those aged 65+ in Watlington, 2011**

<b>Tenure</b>	<b>All categories: Long-term health problem or disability</b>	<b>Day-to-day activities limited a lot</b>		<b>Day-to-day activities limited a little</b>		<b>Day-to-day activities not limited</b>	
<b>All categories: Tenure</b>	558	131	23.5%	136	24.4%	291	52.2%
<b><i>Owned or shared ownership: Total</i></b>	427	90	21.1%	99	23.2%	238	55.7%
Owned: Owned outright	377	80	21.2%	87	23.1%	210	55.7%
Owned: Owned with a mortgage or loan or shared ownership	50	10	20.0%	12	24.0%	28	56.0%
<b><i>Rented or living rent free: Total</i></b>	131	41	31.3%	37	28.2%	53	40.5%
Rented: Social rented	89	30	33.7%	24	27.0%	35	39.3%
Rented: Private rented or living rent free	42	11	26.2%	13	31.0%	18	42.9%

Source: DC3408EW Health status

136. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 88. Note that this includes growth in older households between 2011 and 2017. However, because the population figures for Watlington are uncertain, the Census figures are used as the most accurate starting point. In reality, some of this growth will have occurred in the period 2011-2017 and these households may or may not be adequately housed in terms of their care and support needs.
137. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

**Table 6-6: AECOM estimate of specialist housing need in Watlington by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.	43
	10	33	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.	45
	9	37	
<b>Total</b>	<b>18</b>	<b>70</b>	<b>88</b>

Source: Census 2011, AECOM Calculations

## Housing LIN-recommended provision

138. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 below reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures. It is important to note that the HLIN model aims to boost the supply of specialist housing, compared to current rates across the country and this assumption is embedded in the model.

139. It is worth highlighting that the HLIN model suggests that the level of provision for specialist housing for older people of all kinds should be approximately 251 units per 1,000 of the population aged 75+. Interestingly, the existing stock of older persons housing within the parish provide 276 units per 1,000 of those aged 75+, a level of provision which exceeds the HLIN benchmark. However, all of the current stock is age restricted or retirement housing with no extra care or assisted living type schemes where care and support is provided on site.

**Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit**

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

Source: *Housing LIN SHOP Toolkit*

140. As

141. Table 6-3 shows, Watlington is forecast to see an increase of 269 individuals aged 75+ by the end of the Plan period (2011-2035). According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.269 = 16$
- Leasehold sheltered housing =  $120 \times 0.269 = 32$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.269 = 5$
- Extra care housing for rent =  $15 \times 0.269 = 4$
- Extra care housing for sale =  $30 \times 0.269 = 8$
- Housing based provision for dementia =  $6 \times 0.269 = 2$

**Table 6-8: HLIN estimate of specialist housing need in Watlington by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	19
	8.33	10.75	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	48
	16	32	
<b>Total</b>	<b>24</b>	<b>43</b>	<b>67</b>

Source: Housing LIN, AECOM calculations

142. This produces an overall total of 67 specialist dwellings which might be required by the end of the plan period (2035). Note that this growth takes account of some growth in the older population that may have occurred between 2011 and 2017 (beginning of plan period). However, uncertainty over the population figures of the parish mean that 2011 provides the most reliable base for assessing needs.

143. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

## Conclusions- Specialist Housing for the Older People

144. There are around 373 older people aged 75+ in Watlington (ONS parish population estimates 2018). This has grown from 313 in 2011 and is expected to grow to 582 by the end of the plan period (2035). The number of over 75s is estimated to have grown 269 from 2011-2035, equating to around 189 households.

145. The majority of older people in Watlington live in mainstream housing and often care and support can be provided in an own home setting when required.

However, the growth of the older population is likely to result in additional demand for specialist housing.

146. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
147. These two methods of estimating the future need in Watlington produce a range of 67 to 88 specialist accommodation units that might be required by 2035 (including growth from 2011). These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already adequately accommodated. If this is found not to be the case, it would justify plans to boost provision further.
148. The stock of older persons specialist accommodation in Watlington is relatively large considering the size of the population, but it is all age restricted or retirement housing. Only one scheme appears to have any care or support provided on site. In many ways, the existing stock provides no additional benefits in terms of care and support to the mainstream housing stock, although it may be more accessible and offer some benefits in terms of security and community.
149. There is a broad balance between ownership and rented housing in the specialist stock of age restricted or retirement housing. A new scheme is due to be developed in 2022 and this will provide 41 additional homes for sale. The existing stock and the new scheme are likely to meet needs from older households with limited care and support needs.
150. Improvements to the mainstream housing stock can also contribute in meeting this need. Local Plan policy H11 sets specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.
151. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. The Local Plan requires that 15% of market housing is built to M4(2) standards but given the scale of the older population in Watlington and expected growth, the evidence gathered here could justify seeking a higher proportion in the parish, subject to viability considerations.
152. The estimates provided in this report expect the need for around 19-43 units for households with greater support needs and may need some form of housing where care and support is provided on site. Extra care or assisted living schemes can provide suitable accommodation for older households to live independently whilst receiving care.

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

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

154. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale, particularly for extra care or assisted living schemes. This can be achieved by serving the specialist older persons' housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

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

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

## 7. Conclusions

### Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	<p>It is difficult to be definitive about the scale of need for Affordable Housing in Watlington. From the parish perspective there is a limited but urgent need for some affordable rented housing and more substantial potential demand for affordable home ownership.</p> <p>There are currently 75 households on the South Oxfordshire District Council's waiting list for housing in Watlington. The Housing Need Survey 2021 specifically identified 24 households within the parish in affordable housing need and with a strong local connection. There is additional substantial potential demand for affordable home ownership, largely from households living in the private rented sector who 'can rent, but can't buy'.</p> <p>Watlington is likely to play a role in meeting some of the wider needs of the district and these may need to be taken into consideration in developing any neighbourhood specific tenure mix (as proposed here).</p> <p>The housing requirement for Watlington, along with existing planning permissions and commitments has the potential to provide 363 new dwellings over the plan period to 2035. If 40% of these homes are provided as Affordable Housing, in line with Local Plan policy, up to 145 Affordable Homes could be delivered in the parish. In practice, the figure is likely to be lower because not all sites will meet affordable housing thresholds (or 10 dwellings or more).</p>	<p>The potential for Affordable Housing delivery would meet the identified need for affordable rented housing locally (the parish level estimates in this report).</p> <p>There may be wider need for affordable rented housing in the District as a whole and so the delivery of Affordable Housing and the mix pursued may need to take account of strategic needs. Adopting a tenure mix that differs from the adopted Local Plan policy would require close engagement with the LPA.</p> <p>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. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.</p>



Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>The majority of households in Watlington live in the owner occupied sector, though the proportion is consistent with the district, higher than the proportion of owners in England as a whole. Both the social and private rented sectors are larger, in terms of share of households, than in South Oxfordshire, but small by national standards.</p> <p>House prices have risen substantially in the last 10 years with median average prices increasing by 62% since 2011. Average prices in 2020 were £447,000. Lower quartile prices have doubled over the same period and were £350,000 in 2020, illustrating the challenge for first time buyers and other households on lower incomes.</p> <p>Average household incomes in Watlington are estimated to be around £56,600, with lower quartile earnings substantially lower. Even households on average incomes are unable to afford entry level home ownership. Entry level market rents are affordable to this group though availability of rented properties is very limited.</p>	<p>Affordable home ownership products offer the potential to extend home ownership to more households in the parish, with the largest discounts (eg First Homes at 50% discount) offering the potential to provide affordable home ownership to households on average incomes.</p> <p>This HNA suggests there may be a case for a different tenure mix in Watlington to that set out in the Local Plan. If such a policy is developed it should be done so in consultation with the LPA in order to take account of viability and other strategic considerations.</p> <p>A greater proportion of affordable home ownership products would allow a more diverse range of products to be delivered including shared ownership and rent to buy (as well as 25% First Homes).</p> <p>Affordable/social rented homes provide a critical role in meeting the needs of households who cannot access any market housing, and may be reliant on housing benefit. A tenure mix which ensures these properties are delivered as a priority whilst also expanding the stock of affordable home ownership options would improve the housing choice locally.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>This study provides an indication of the likely need for different types and sizes of homes based on demographic change.</p> <p>Watlington has a bias towards older households and has experienced growth in the older population in recent years. This is consistent with national trends. There is a substantial proportion of family households within the parish but younger households are expected to decline in their share of the population over the plan period. The growth in house prices and declining affordability in the parish is likely to be a contributing factor and this concern was also raised in the responses to the parish Housing Need Survey.</p> <p>The housing stock in the parish is biased towards larger properties of 3 or more bedrooms in semi detached and detached properties. There are relatively fewer flats compared to the district and England and consequently a smaller share of smaller (1 and 2 bedroom properties).</p>	<p>It is important to note that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.</p> <p>Household projections and modelling in this HNA based on the profile of the existing stock suggest a need for all different sizes of properties over the plan period. The modelling, which relies on projections based on existing trends, suggests the need for substantial provision of larger dwellings, though it is important to note that this reinforces existing patterns on the neighbourhood.</p> <p>The Neighbourhood Plan and strategies at the district level may wish to change these patterns. The mix of homes provided in Watlington could also reflect how the planners wish to change the role of the settlement or encourage and support particular groups of households to live in the area.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>There are around 373 older people aged 75+ in Watlington (ONS parish population estimates 2018). This has grown from 313 in 2011 and is expected to grow to 582 by the end of the plan period (2035). The number of over 75s is estimated to have grown 269 from 2011-2035, equating to around 189 households.</p> <p>The majority of older people in Watlington live in mainstream housing and often care and support can be provided in an own home setting when required. However, the growth of the older population is likely to result in additional demand for specialist housing.</p> <p>Two methods of estimating the future need for specialist housing in Watlington produce a range of 67 to 88 specialist accommodation units that might be required by 2035 (including growth from 2011). These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already adequately accommodated.</p> <p>The stock of older persons specialist accommodation in Watlington is relatively large considering the size of the population, but it is largely age restricted or retirement housing. A new scheme is due to be developed in 2022 and this will provide 41 additional homes for sale. The existing stock and the new scheme are likely to meet needs from older households with limited care and support needs.</p> <p>The estimates provided in this report expect the need for around 19-43 units for households with greater support needs and may need some form of housing where care and support is provided on site. Extra care or assisted living schemes can provide suitable accommodation for older households to live independently whilst receiving care.</p>	<p>Local Plan policy H11 sets specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)).</p> <p>It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. The Local Plan requires that 15% of market housing is built to M4(2) standards but given the scale of the older population in Watlington and expected growth, the evidence gathered here could justify seeking a higher proportion in the parish, subject to viability considerations.</p> <p>It is considered that Watlington is, in broad terms, a suitable location for specialist accommodation such as extra care on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Watlington in other suitable locations near to but outside the Plan area boundaries).</p>

## Recommendations for next steps

158. This Neighbourhood Plan housing needs assessment aims to provide Watlington with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with South Oxfordshire with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of South Oxfordshire;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Oxfordshire.

159. 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.

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

161. 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.

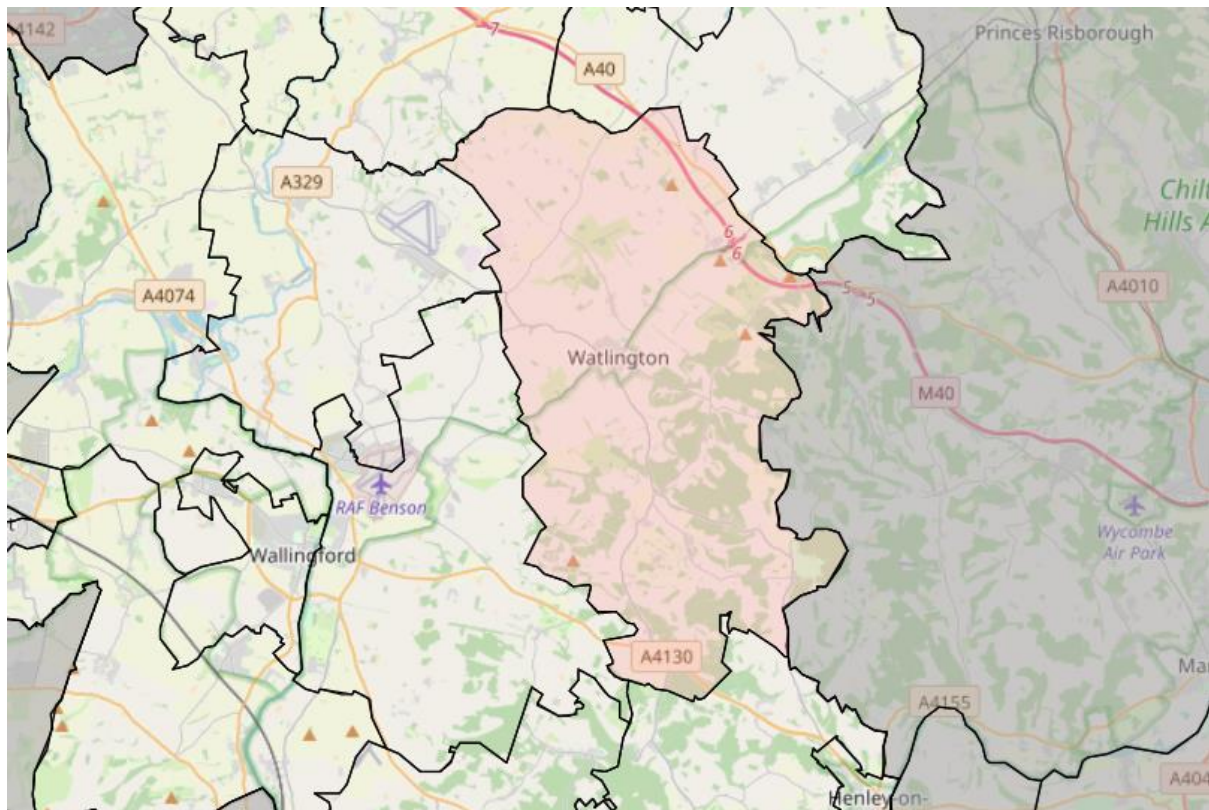
## Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

162. 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.

163. 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 Watlington, it is considered that MSOA E02005965 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02005965 appears below in Figure A-1. This area is larger than the parish boundary but is the best fit for the neighbourhood area.

**Figure A-1: MSOA E02005965 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

## A.2 Market housing

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

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

## **i) Market sales**

166. 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.
167. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Watlington, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
168. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £447,000;
  - Purchase deposit at 10% of value = £44,700;
  - Value of dwelling for mortgage purposes = £402,300;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £114,943.
169. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £350,000, and the purchase threshold is therefore £90,000.
170. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records insufficient sales of new build properties in the NA in 2020 and recent years. As such, the new build prices for the district as a whole is used. The average new build property in South Oxfordshire was £430,891 in 2020 and the purchase threshold is therefore £110,800.

## **ii) Private Rented Sector (PRS)**

171. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.

172. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
173. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. However, there were only 2 properties listed at the time of writing. AECOM checked Rightmove for current rental properties, however there were only 6 available to rent within a 3 mile radius of Watlington. As such, these figures must be treated with caution but appear reasonable in AECOM's experience and in comparison to house prices in the parish.
174. According to Rightmove there were 6 properties for rent at the time of search in November 2021, with an average monthly rent of £1,560. There were 2 x two-bed properties listed, with an average price of £1,275 per calendar month.
175. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,275 x 12 = £15,300;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £51,000.
176. The calculation is repeated for the overall average to give an income threshold of £62,400.

## A.3 Affordable Housing

177. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

### i) Social rent

178. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
179. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Watlington. This data provides information about rents and the size and type of

stock owned and managed by private registered providers and is presented for South Oxfordshire in the table below.

180. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally might make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£99.11	£108.99	£120.86	£137.97	<b>£112.82</b>
Annual average	£5,154	£5,667	£6,285	£7,174	<b>£5,867</b>
Income needed	£17,162	£18,873	£20,928	£23,891	<b>£19,536</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

181. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
182. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
183. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for South Oxfordshire. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
184. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

**Table A-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£133.63	£164.49	£201.79	£255.48	<b>£173.33</b>
Annual average	£6,949	£8,553	£10,493	£13,285	<b>£9,013</b>
Income needed	£23,139	£28,483	£34,942	£44,239	<b>£30,014</b>

Source: Homes England, AECOM Calculations



### **iii) Affordable home ownership**

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

#### **First Homes**

187. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
188. The starting point for these calculations is therefore the estimated cost of median average house prices in Watlington. These are considered a reasonable proxy for new build priced housing. As noted above, the median price of a market sale property in the NA in 2020 is £447,000.
189. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (NA average) = £447,000;
  - Discounted by 30% = £312,900;
  - Purchase deposit at 10% of value = £31,290;
  - Value of dwelling for mortgage purposes = £281,610;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £80,460.
190. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £68,966 and £57,471 respectively.
191. In the case of the 30% discount, the discounted value exceeds the cap of £250,000 and so a higher discount would be required to be compliant with policy.
192. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost

excludes any land value or developer profit. This would not appear to be an issue in Watlington.

### **Shared ownership**

193. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
194. 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.
195. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
196. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £447,000 is £111,750
  - A 10% deposit of £11,175 is deducted, leaving a mortgage value of £100,575;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £28,736;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £335,250;
  - The estimated annual rent at 2.5% of the unsold value is £8,381;
  - This requires an income of £27,937 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £56,673 (£28,736 plus £27,937).
197. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £45,019 and £76,096 respectively.

### **Rent to buy**

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

### **Help to Buy (Equity Loan)**

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

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

## **Affordable Housing (NPPF Definition)**

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

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

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

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

## **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>13</sup>.

## **Age-Restricted General Market Housing**

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

## **Annual Monitoring Report**

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

## **Basic Conditions**

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

## **Backlog need**

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

## **Bedroom Standard<sup>14</sup>**

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

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<sup>13</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>14</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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<sup>15</sup>**

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)<sup>16</sup>**

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

### **Equity Loans/Shared Equity**

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

### **Extra Care Housing or Housing-With-Care**

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

### **Fair Share**

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

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<sup>15</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>16</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

## **First Homes**

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

## **Habitable Rooms**

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

## **Household Reference Person (HRP)**

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

## **Housing Size (Census Definition)**

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

## **Housing Type (Census Definition)**

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes



Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

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

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>17</sup>, 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

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<sup>17</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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

## **Residential Care Homes and Nursing Homes**

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>18</sup>**

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.

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<sup>18</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment**

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

### **Strategic Housing Market Assessment (NPPF Definition)**

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>19</sup>

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<sup>19</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

