

# Ringstead

Housing Needs Assessment (HNA)

July 2022

## Quality information

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## Table of Contents

1.	Executive Summary.....	6
2.	Context.....	11
	Local context.....	11
	The Housing Market Area Context.....	12
	Planning policy context.....	13
	Policies in the adopted local plan.....	14
	Policies in the emerging local plan.....	16
	Quantity of housing to provide.....	18
3.	Approach.....	19
	Research Questions.....	19
	Tenure and Affordability.....	19
	Type and Size.....	19
	Second Homes.....	20
	Relevant Data.....	20
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing.....	21
	Introduction.....	21
	Current tenure profile.....	22
	Affordability.....	23
	House prices.....	23
	Income.....	25
	Affordability Thresholds.....	25
	Affordable housing- quantity needed.....	31
	Additional LHNA findings.....	32
	Affordable Housing policy guidance.....	32
	Conclusions- Tenure and Affordability.....	37
5.	RQ 2: Type and Size.....	40
	Introduction.....	40
	Existing types and sizes.....	40
	Background and definitions.....	40
	Dwelling type.....	41
	Dwelling size.....	42
	Age and household composition.....	43
	Age structure.....	43
	Household composition.....	45
	Occupancy ratings.....	46
	Dwelling mix determined by life-stage modelling.....	47
	Suggested future dwelling size mix.....	47
	The LHNA findings.....	51
	Conclusions- Type and Size.....	52
6.	RQ 3: Second Homes.....	54
	Introduction.....	54
	Second and Holiday Homes Data.....	54
	Policy Considerations.....	59
	Conclusions- Second homes.....	59
7.	Recommendations for Next Steps.....	61

Appendix A : Calculation of Affordability Thresholds.....	62
A.1 Assessment geography .....	62
A.2 Market housing .....	62
i) Market sales .....	63
ii) Private Rented Sector (PRS).....	64
A.3 Affordable Housing .....	64
i) Social rent.....	65
ii) Affordable rent.....	65
iii) Affordable home ownership .....	66
Appendix B : Housing Needs Assessment Glossary .....	69

**List of acronyms used in the text:**

BCKLWN	Borough Council of King's Lynn and West Norfolk
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
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
VOA	Valuation Office Agency

# 1. Executive Summary

1. The Office for National Statistics (ONS) mid-2020 population estimate for Ringstead is 302, showing a slight decrease of 22 individuals since the 2011 Census.
2. There has been limited development in Ringstead since 2011, with the Borough Council of King's Lynn & West Norfolk providing completions data between 2011 and 2021, showing a net increase of 9 dwellings. This data was not broken down into market and affordable, so the quantity of Affordable Housing delivered in this time is unknown. The total quantity of dwellings as of 2021 in the Neighbourhood Area is estimated to be 206. Future development will likely be limited due to a housing requirement figure of 0.

## Conclusions- Tenure and Affordability

### Current dwelling stock

3. In 2011, the majority of households in Ringstead owned their own home, at a greater proportion than nationally. The proportion of households socially renting their home is significantly below nationally at 10.4% and 17.7% respectively, with Borough levels falling between these figures. Although the provision of social rented housing seems somewhat limited, the proportion of households living in shared ownership dwellings in 2011 in Ringstead was greater than across King's Lynn & West Norfolk as a whole.
4. Between 2012 and 2021 there were considerable fluctuations in house prices in Ringstead, likely due to the very small sample sizes. Overall, the median house price increased substantially by 271.2% in this time to a peak in 2021 of £606,000. The lower quartile house prices similarly fluctuate, in the same pattern as the median house prices. These prices also peak in 2021 at £483,738 having increased by 230.2% since 2012.

### Affordability

5. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit, with median house prices would requiring an annual income 290.4% higher than the current average. Households made up of two lower quartile earners can afford the given private rental thresholds for entry level (1-bedroom) properties.
6. Turning to Affordable Housing, the report has estimated the income required to afford First Homes and tested the implications of the various discount levels. It is suggested that First Homes in Ringstead are delivered at a 50% discount to increase access to home ownership in the NA. Shared ownership appears to be similarly affordable to First Homes and is broadly accessible to the same groups, with the exception of shared ownership at 10% equity, which is likely to be affordable to households on average incomes. Shared ownership at 10% equity share allows 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 may provide a better long-term investment to those who can afford to access it.

7. Affordable rented housing is generally affordable to households with two lower earners. Households with a single lower earner appear to be marginally able to afford socially rented dwellings. For households that cannot afford even the smallest socially rented units, many will require additional subsidy through Housing Benefit to access housing.

### **Future affordable housing**

8. The starting point for understanding the need for affordable housing in Ringstead is the King's Lynn & West Norfolk Housing Needs Assessment (2020). When the LHNA figures are pro-rated to Ringstead based on its fair share of the population, this equates to 0.4 homes per annum or 5.6 homes over the Neighbourhood Plan period 2022-2036. Based on the LHNA split, this would equate to a need for 3.8 units of affordable rented housing and 1.8 units for affordable home ownership over the plan period.
9. Housing Register data provided by the Borough Council of King's Lynn & West Norfolk indicates there were 2 households on the waiting list for social/affordable rented housing currently living in Ringstead. The demand for social/affordable rented housing is highlighted by the number of bids on properties, with 15 bids for one 4-bedroom property in the NA in 2020/2021.
10. It is suggested that 70% of new Affordable Housing is delivered as affordable rented tenures, either social or affordable rent. This mix should be viewed as a starting point, based primarily on secondary evidence. It is suggested that the remaining 30% is delivered as affordable home ownership tenures in the following split:
  - 25% First Homes (at 50% discount); and
  - 5% shared ownership (at 10% equity).

It is recommended that the proportion of First Homes is delivered at a 50% discount. Although this level of discount does not make the product affordable to local households on mean incomes, it does open up home ownership to a larger proportion of the population. It is also recommended that some shared ownership is delivered at 10% equity as this model is affordable to households on mean incomes and to provide variety. Although Rent to Buy would be a beneficial model to deliver in the NA, it is considered more important to deliver social/affordable rented tenures.

11. 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).
12. The expected level of delivery, primarily due to a housing requirement figure of 0, does not meet the quantity of demand identified in estimates of the need for affordable housing. The recommendation is that the policy requirement for 20% of new homes to be affordable be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group consider exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable

Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

13. 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.

## **Conclusions- Type and Size**

14. 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.

### **Current dwelling mix**

15. In 2011, the vast majority of dwellings in the NA were detached. The smallest proportion of dwellings were flats and terraced dwellings, suggesting a lack of more affordable, likely smaller, dwellings. Bringing this data up to date, 2011 and 2021 data showed that the dwelling mix remained very stable, perhaps indicative of a lack of development in this time. The proportion of bungalows in the NA decreased very slightly, potentially due to development of other types of dwelling reducing the proportion in the overall mix, or due to second storey extensions of existing bungalows. Ringstead has a significantly higher proportion of detached dwellings than the Borough and country, with the proportion of semi-detached and terraced dwellings well below the levels for King's Lynn & West Norfolk and England, again suggesting a lack of smaller, more affordable dwellings.
16. Turning to dwelling size, in both 2011 and 2021, the dominant dwelling type in the NA was 3-bedroom dwellings despite a small decline in this time. There was a significant increase in the proportion of 4-bedroom dwellings, potentially due to the conversion of 3-bedroom dwellings into larger 4-bedroom dwellings. Ringstead has a significantly higher proportion of larger 4-bedroom and 5+ bedroom dwellings than both the Borough and the country and very few 1-bedroom dwellings at just 3.2% of the mix.

### **Demographics**

17. In 2011 the greatest proportion of NA residents were aged 45-64, followed by those aged 65-84 at 20.7%. The latter grew significantly by 2020 to 31.1%, indicative of a rapidly aging population in Ringstead. Growth can be expected to continue to be driven by the oldest households, with an expected 44% increase in households with a



household reference person aged 65 and over by the end of the plan period. Between 2011 and 2020, those aged 16-24 fell, indicating that young people are moving away from the NA, potentially due to a lack of affordable housing options. Ringstead had a significantly smaller proportion of the population aged 16-24 than both the Borough and the country, with this also evident in those aged 25-44.

18. Under-occupancy is relatively common in the NA, with 81.5% of households living in a dwelling with at least one additional bedroom in relation to the size of their household. This is most common in households aged 65+ and younger families with no children. This suggests that that larger housing isn't necessarily being occupied by households with the most family members but by older people who have chosen not to or have been unable to move to smaller properties or those with the most wealth. A lack of suitable smaller dwellings exacerbates this issue as it makes downsizing difficult.

### **Future size mix**

19. AECOM modelling suggests that the 2036 target mix should have a greater weighting of smaller 1-bedroom and 2-bedroom dwellings than the 2011 stock to account for the existing lack of dwellings of this size. In order to achieve this new balance of housing it is suggested that the majority of housing, at 57% of development, is delivered as 2-bedroom dwellings, followed by 1-bedroom dwellings at 36%. There should be limited development of the larger dwellings in order to reduce their presence in the market. The Steering Group may wish to alter the weightings based on their aims, with the model a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options.
20. It would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## **Conclusions- Second homes**

21. This section of the HNA considers the current extent of second home ownership in Ringstead and related trends.
22. In 2011, Ringstead contained 135 households and 197 dwellings, implying that there were 62 dwellings with no usual resident household. This means that 31.5% of dwellings had no usual residents, compared to 14.7% across King's Lynn & West Norfolk and around 4.0% nationally.
23. When looking at holiday lets eligible for business rates specifically, it is estimated that in 2020/2021, there were approximately 84 premises in the Ringstead categorised as 'other'. Of these, based on Borough level calculations, 32.4% were specifically classified as holiday homes (self-catering), totalling 27 properties. Between 2011 and

2021, the number of properties assumed to be categorised as holiday lets in Ringstead grew by 12.9%.

24. Further, more locally specific, research was undertaken based on the number of properties in the NA registered for business rates, specifically self-catering holiday units using individual postcodes<sup>1</sup>. This gave a figure of 32 commercial holiday lets in April 2022. This indicates that the proportion of 'other' properties that are specifically holiday lets in the NA is much higher, as suspected, than the proportion for King's Lynn & West Norfolk used in AECOM's calculations, with this the most localised this data could be collected. It could therefore be reasonable to assume there are in the region of 32 commercial holiday lets (eligible for business rates) in the NA as of April 2022.
25. Based on dwelling completions data to 2021 and ONS mid-2020 population estimates, it is calculated that in 2020/2021 there were 80 dwellings with no usual resident in Ringstead, assumed to be second homes. This accounts for 38.8% of dwellings in the NA, a relatively significant increase on the proportion in 2011 of 31.5%.
26. The demand for second homes in the NA is likely to have had an adverse effect on affordability for local people. There is a clear difference in the potential income between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Ringstead is £5,687 compared to the average monthly cost of a private rented dwelling of £736. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector.
27. AECOM suggest there may be reason to apply a Principal Residence Policy or similar in the NA. It is suggested that discussions with the Borough Council of King's Lynn & West Norfolk are included in the development of policies such as this. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

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<sup>1</sup> Searches conducted via <https://www.tax.service.gov.uk/business-rates-find/list-properties>

## 2. Context

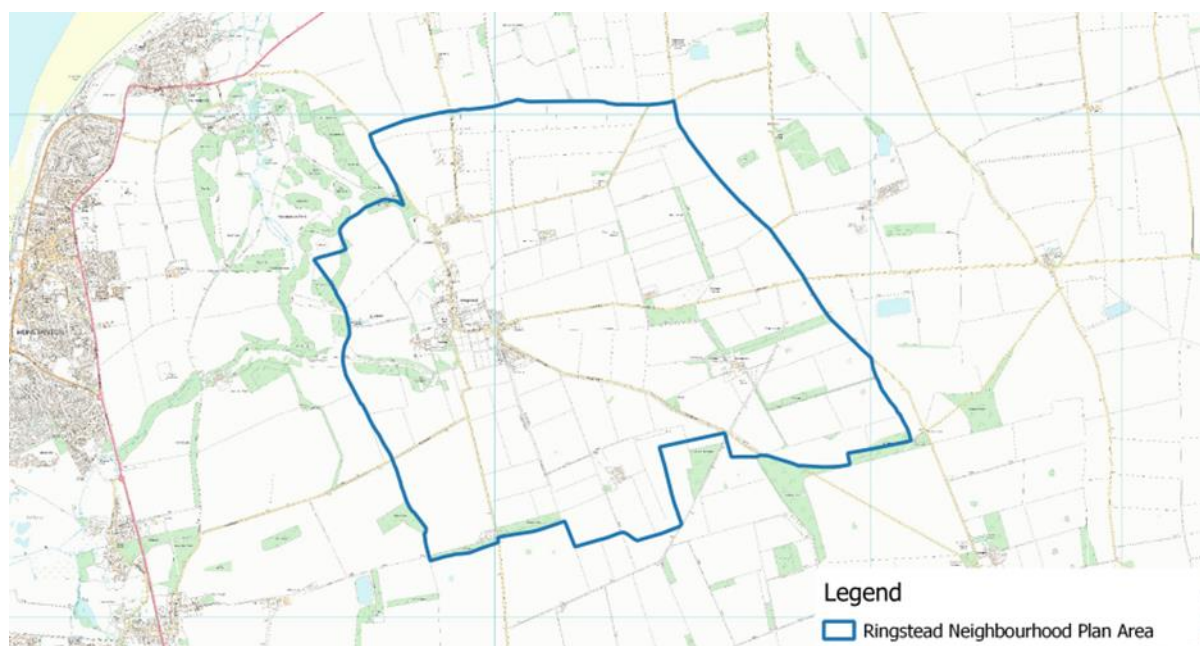
### Local context

28. Ringstead is a Neighbourhood Area located in King's Lynn & West Norfolk in the East of England. The NA boundary aligns with the whole parish boundary and was designated in February 2021.
29. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
30. Ringstead is a small village close to the north Norfolk coast, approximately 3 miles east of Hunstanton. The A149 runs north of the NA and provides connections to numerous villages along the coastline, with the National Cycle Route also running through the parish. Public transport is limited but there are infrequent bus services to both Hunstanton and to King's Lynn, c.18 miles southwest of the NA. King's Lynn is the closest train station to Ringstead, providing connections to London.
31. Despite the size of the parish there are some amenities, partly due to tourism in the area. Local amenities include a shop, pub, church, garden centre, and village hall. Despite this, there is no mains drainage in the parish.
32. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). These make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
  - E00135619
  - E00135620
  - In 2001 these Output Areas were referred to as 33UEHM0021 and 33UEHM0022
33. The statistics show that in the 2011 Census the NA had a total of 324 residents, formed into 135 households and occupying 197 dwellings. The relatively large difference between the number of dwellings and households indicates a high number of second homes or holiday lets, to be considered in depth in this study.
34. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Ringstead is 302 – indicating population decline of around 22 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.

35. Completions data provided by the Borough Council of King's Lynn & West Norfolk showed that between 2011 and 2021 there were 9 net completions of dwellings. This low level of development could be considered in line with the small population decline, with the possibility of the splitting of existing households generating more housing demand without increasing the population (e.g., divorce or adult children leaving home). Given the ageing of the population this may also be a function of population decline due to deaths with surviving relatives remaining in the same homes.

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

**Figure 2-1: Map of the Ringstead Neighbourhood Area<sup>2</sup>**



Source: King's Lynn & West Norfolk

## The Housing Market Area Context

37. Whilst this HNA focuses on Ringstead 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 Ringstead, the parish sits within a housing market area which only covers the local authority area of King's Lynn & West Norfolk<sup>3</sup>. This means that when households who live in these authorities move home, the vast majority move within this geography, with King's Lynn & West Norfolk having relatively high levels of self-containment with regard to migration and commuter flows. The housing market area does however have links to other neighbouring local authorities including Breckland (Norfolk) and Fenland (Cambridgeshire).

<sup>2</sup> Available at [https://www.west-norfolk.gov.uk/downloads/file/6411/designation\\_of\\_neighbourhood\\_area\\_for\\_ringstead](https://www.west-norfolk.gov.uk/downloads/file/6411/designation_of_neighbourhood_area_for_ringstead)

<sup>3</sup> Available at [https://www.west-norfolk.gov.uk/info/20001/housing/269/housing\\_strategy\\_policies\\_and\\_information](https://www.west-norfolk.gov.uk/info/20001/housing/269/housing_strategy_policies_and_information)

38. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Ringstead, are closely linked to other areas. In the case of Ringstead, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. This is particularly likely in the case of Hunstanton, the third largest town in the local authority area, just 3 miles from the NA. The emerging Local Plan outlines that provision will be made for at least 333 new homes in Hunstanton, with allocation of at least 40 houses. This may be able to meet some of the needs of demand from Ringstead.
39. In summary, Ringstead functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (King's Lynn & West Norfolk), 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

40. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>4</sup> In the case of Ringstead, the relevant adopted and emerging Local Plans for the Borough Council of King's Lynn & West Norfolk are outlined below.
41. The adopted Local Plan for King's Lynn & West Norfolk which consists of the Borough Council of King's Lynn & West Norfolk Local Development Framework Core Strategy (adopted July 2011)<sup>5</sup> and the Site Allocations & Development Management Policies Plan (SADMP) (adopted September 2016)<sup>6</sup>. The Core Strategy guides development to 2026, with the Site Allocations & Development Management Policies Plan complementing the former in setting out land allocations. In the Core Strategy, Ringstead is identified as a Smaller Village and Hamlet, meaning that development is limited to specific identified needs within the parishes.
42. In Ringstead, according to the 2016 SADMP, does not have any specific site allocations or a development boundary. It further outlines that only very limited development would be expected in the parish.
43. The emerging Local Plan<sup>7</sup> will cover the period 2016-2036 and reviews both the Core Strategy and the Site Allocations and Development Management Policies to create a single Local Plan document. The Local Plan review was agreed by Full Council in July 2021, with the pre-submission consultation taking place in August/September 2021. This is the latest version of the Local Plan document. The Plan was submitted to the Secretary of State in March 2022. Ringstead remains classified in the Settlement Hierarchy as a

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<sup>4</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>

<sup>5</sup> Available at: [https://www.west-norfolk.gov.uk/downloads/download/68/core\\_strategy\\_document](https://www.west-norfolk.gov.uk/downloads/download/68/core_strategy_document)

<sup>6</sup> Available at: [https://www.west-norfolk.gov.uk/info/20220/site\\_allocations\\_and\\_development\\_management\\_policies\\_plan/514/adopted\\_plan](https://www.west-norfolk.gov.uk/info/20220/site_allocations_and_development_management_policies_plan/514/adopted_plan)

<sup>7</sup> Available at: <https://west-norfolk-consult.objective.co.uk/kse/event/36371/section/ID-5877719-POLICY-LP34-HOUSING-NEEDS-OF-RURAL-WORKERS#ID-5877719-POLICY-LP34-HOUSING-NEEDS-OF-RURAL-WORKERS>

Smaller Village & Hamlet. Whilst these areas do not have any specific site allocations, modest levels of development can still take place.

## Policies in the adopted local plan

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

**Table 2-1: Summary of relevant adopted policies in the Borough Council of King’s Lynn & West Norfolk Local Development Framework Core Strategy**

Policy	Provisions
CS01: Spatial Strategy	<p>Approximately 90% of new residential development will take place in areas identified within the settlement hierarchy to ensure reasonable access to services satisfying basic day to day needs.</p> <p>The strategy for rural areas will focus most new development within or adjacent to Key Rural Service Centres.</p>
CS02: The Settlement Hierarchy	<p>The settlement hierarchy for King’s Lynn &amp; West Norfolk is as follows:</p> <ul style="list-style-type: none"> <li>• Sub-Regional Centre (King’s Lynn including West Lynn and Gaywood)</li> <li>• Main Towns (Hunstanton and Downham Market)</li> <li>• Settlements adjacent to King’s Lynn and the Main Towns</li> <li>• Key Rural Service Centres</li> <li>• Rural Villages</li> <li>• Smaller Villages and Hamlets (including Ringstead)</li> </ul> <p>Development in Smaller Villages and Hamlets will be limited to specific identified needs only in accordance with Policy CS06.</p>
CS06: Development in Rural Areas	<p>The strategy for rural areas is to focus most new development in Key Rural Service Centres and ensure housing (including affordable housing), services, and other facilities are provided in close proximity.</p> <p>In the Rural Villages, Smaller Villages, and Hamlets, modest levels of development, as detailed in Policy CS09, will be permitted to meet local needs and maintain the vitality of these communities. Sites may be allocated for affordable housing or exception housing in accordance with criteria to support the housing strategy.</p>
CS09: Housing Distribution	<p>The plan will identify sufficient land for a minimum of 16,500 new dwellings across the Borough over the period 2001 to 2026.</p> <p>There is no provision outlined for dwellings in Smaller Villages and Hamlets.</p>



Policy	Provisions
	<p>Proposals for housing must take appropriate account of need identified in the most up to date SHMA, with particular regard to size, type, and tenure of dwellings.</p> <p>Affordable Housing provision will be sought on qualifying sites at 20% of housing. In rural areas the threshold over which Affordable Housing provision will be sought is sites of 5 or more dwellings (or of 0.165 ha or more).</p> <p>In relation to tenure mix, 70:30 rented to ‘shared ownership’, adjusted where necessary to balance housing need and make schemes viable, subject to negotiation. 30% ‘shared ownership’ to include other forms of intermediate tenure, including intermediate rented.</p> <p>It is appropriate to consider the exceptional provision of affordable housing maintained in perpetuity in the Rural Villages.</p>
<p>DMP (2016) – DM3: Development in Smaller Villages and Hamlets</p>	<p>New development in the designated Smaller Villages and Hamlets will be limited to that suitable in rural areas, including:</p> <ul style="list-style-type: none"> <li>• Small scale employment uses;</li> <li>• Community facilities;</li> <li>• Smaller scale tourism facilities;</li> <li>• Conversions of existing buildings;</li> <li>• Rural exceptions affordable housing; and</li> <li>• Development to meet specific identified local need, including housing to support the operation of rural businesses.</li> </ul> <p>The sensitive infilling of small gaps within an otherwise continuously built up frontage will be permitted in Smaller Villages and Hamlets where the development is appropriate to the scale and character of the group of buildings and its surroundings and where it will not fill a gap which provides a positive contribution to the street scene.</p> <p>In exceptional circumstances, the development of small groups of dwellings in Smaller Villages and Hamlets may be considered appropriate where the development is of a particularly high quality and would provide significant benefits to the local community.</p>
<p>DMP (2016) – DM8: Delivering Affordable Housing on Phased Development</p>	<p>On sites allocated for residential development, the requirement to provide Affordable Housing will apply jointly to the whole of a single allocated site that is developed incrementally.</p> <p>On windfall sites the requirement to provide Affordable Housing under Core Strategy CS09 will apply where the Council considers that the proposed development forms part of a larger site which, if developed,</p>

<b>Policy</b>	<b>Provisions</b>
	would result in a requirement for a proportion of Affordable Housing. Criteria which indicate a site is part of a larger site are outlined further in the policy.

*Source: Borough Council of King’s Lynn & West Norfolk*

## **Policies in the emerging local plan**

45. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Ringstead.

**Table 2-2: Summary of relevant emerging policies in the King’s Lynn & West Norfolk emerging Local Plan Review**

<b>Policy</b>	<b>Provisions</b>
LP01: Spatial Strategy	<p>The strategy for rural areas will focus most new development within or adjacent to the selected Growth Key Rural Service Centres and Key Rural Service Centres.</p> <p>The Local Housing Need (LHN) of 539 new dwellings spread over the 20 year plan period (2016-2036) results in a need of 10,780 dwellings which need to be planned for.</p> <p>0 homes are allocated for Smaller Villages &amp; Hamlets.</p>
LP02: Settlement Hierarchy	<p>The settlement hierarchy for King’s Lynn &amp; West Norfolk is as follows:</p> <ul style="list-style-type: none"> <li>• Sub-Regional Centre (King’s Lynn, including West Lynn)</li> <li>• Main Towns (Hunstanton and Downham Market)</li> <li>• Settlements adjacent to King’s Lynn and the Main Towns</li> <li>• Growth Key Rural Service Centres</li> <li>• Key Rural Service Centres</li> <li>• Rural Villages</li> <li>• Smaller Villages and Hamlets (including Ringstead)</li> </ul> <p>Smaller Villages and Hamlets are identified as having few or no services and so only very limited development will take place.</p>
LP28: Affordable Housing	<p>Proposals for housing need to meet the need as identified in the most up to date housing needs assessment with particular regard to size, type, and tenure of dwellings.</p> <p>Affordable rented housing provided on-site should be maintained as affordable housing in perpetuity.</p>



## Policy

## Provisions

On new developments affordable housing should be fully integrated with general market housing to achieve a mixed and balanced community.

The percentage of affordable housing provision sought on qualifying sites is 20%, above a threshold of 5 or more dwellings (or sites 0.165 ha or larger).

The affordable tenure mix is 70% rented, 25% First Homes, and 5% shared ownership, adjusted where necessary to balance housing need and make schemes viable.

Affordable housing should be delivered on site.

On windfall sites the requirement to provide affordable housing will apply where the Borough Council considers that the proposed development forms part of a larger site which, if developed, would result in a requirement for a proportion of (or contribution to) affordable housing.

The Borough Council will support schemes for the provision of affordable housing as exceptions to normal planning policies subject to criteria outlined in the Policy.

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LP31: Residential Development Reasonably Related to Existing Settlements

For the purpose of this policy small scale refers to development of between 1 to 5 dwellings.

1. Residential development will be permitted in areas reasonable related to existing settlements identified in the Settlement Hierarchy Policy LP02 and their development boundaries where it involves:
  - a. the sensitive infilling of small gaps either wholly or in part, or rounding off the existing development boundary; and
  - b. the development is appropriate to the scale and character of the settlement and its surroundings; and
  - c. it will not fill a gap which provides a positive contribution to the street scene or views in/out of the locality; and
  - d. recognition that the development must conserve or enhance the natural environment and conserve and where appropriate enhance any heritage assets in the locality; and
  - e. sitting sympathetically within the wider landscape, preserves or enhances the setting of the nearest settlement; and

## Policy

## Provisions

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- f. where possible the development is located to maximise the use of walking, cycling, and public transport to access services.
2. In exceptional circumstances the development of small groups of dwellings, i.e. not major development, so less than 10 dwellings, may be considered appropriate where the development is of a particularly high quality and would provide significant benefits to the local community.
3. Meaningful consultation with the Town/Parish Council, local community and other local stakeholders will be encouraged prior to submitting a planning application.
4. Additional weight will be given to proposals for Custom and Self-Build development.

This Policy does not apply to settlements covered by a Made Neighbourhood Plan. Unless the relevant Neighbourhood Plan allows this.

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Source: Borough Council of King's Lynn & West Norfolk

## Quantity of housing to provide

46. 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.
47. The Borough Council of King's Lynn & West Norfolk has fulfilled that requirement by providing Ringstead with an indicative figure of 0 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.<sup>8</sup> It is therefore expected that there is unlikely to be a significant volume of housing come forward.

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<sup>8</sup> As confirmed in a Teams meeting with Bill Jacob (Steering Group) and Louise Cornell (Collective Community Planning), April 2022

## 3. Approach

### Research Questions

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

### Tenure and Affordability

49. 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.
50. This evidence will allow Ringstead 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.
51. 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

52. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The Group identify that a key concern is diversifying the population, increasing the proportion of younger people and families to remain in the parish.
53. 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.
54. 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.
55. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Second Homes

56. Ringstead is an area where the rate of second home ownership is significantly above the national average, and where holiday lets and homes that are vacant for part of the year are perceived to have an impact on housing affordability.
57. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in Ringstead and draw out any relevant connections to the affordability conclusions made in the preceding chapters and other considerations.

***RQ3: What is the scale and potential impact of the second homes sector on the Ringstead housing market, and how might this be addressed through policy?***

## Relevant Data

58. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
  - ONS population and household projections for future years;
  - Valuation Office Agency (VOA) data on the current stock of housing;
  - Land Registry data on prices paid for housing within the local market;
  - Rental prices from Home.co.uk;
  - Local Authority housing waiting list data; and
  - King's Lynn & West Norfolk Housing Needs Assessment, 2020<sup>9</sup>.
59. 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 accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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<sup>9</sup> Available at [https://www.west-norfolk.gov.uk/info/20001/housing/269/housing\\_strategy\\_policies\\_and\\_information](https://www.west-norfolk.gov.uk/info/20001/housing/269/housing_strategy_policies_and_information)

## 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, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

60. 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.
61. 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.
62. 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>10</sup>
63. 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>10</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

64. The current tenure profile is a key feature of the Neighbourhood 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.
65. Table 4-1 presents data on tenure in Ringstead compared with King's Lynn & West Norfolk and England from the 2011 Census, which is the most recent available source of this information. It shows that the majority of households owned their own home, at a greater proportion than nationally but below Borough levels. The private rented sector is slightly larger in the NA than both King's Lynn & West Norfolk and England. Conversely, the proportion of households socially renting their home, at 10.4%, is significantly below the national rate of 17.7%, with Borough levels falling between these figures. Although the provision of social rented housing seems somewhat limited, the proportion of households living in shared ownership dwellings in 2011 in Ringstead was greater than across King's Lynn & West Norfolk as a whole.
66. The completions data provided by the local authority indicate that in the last decade there were 9 net completions. This data was not split between market and affordable but all of the sites were below the affordable housing threshold so it is expected that all of these dwellings were market housing. 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.
67. 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 despite this information being relatively dated at this point. In Ringstead, the proportion of households living in social

rented dwellings fell by 36.4% compared to a 0.9% decline nationally. This may indicate higher levels of Right to Buy and loss of stock than nationally in the NA. Additionally, the private rented sector fell by -16.7% in this time despite Borough growth of 96.2% and national growth of 82.4%. This is likely due to second home ownership in the NA, with individuals preferring to rent their second homes as holiday lets as opposed to in the private rented sector. This is discussed further in Chapter 6.

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

Tenure	Ringstead	KLWN	England
Owned	66.7%	69.4%	63.3%
Shared ownership	0.7%	0.4%	0.8%
Social rented	10.4%	13.3%	17.7%
Private rented	18.5%	14.7%	16.8%

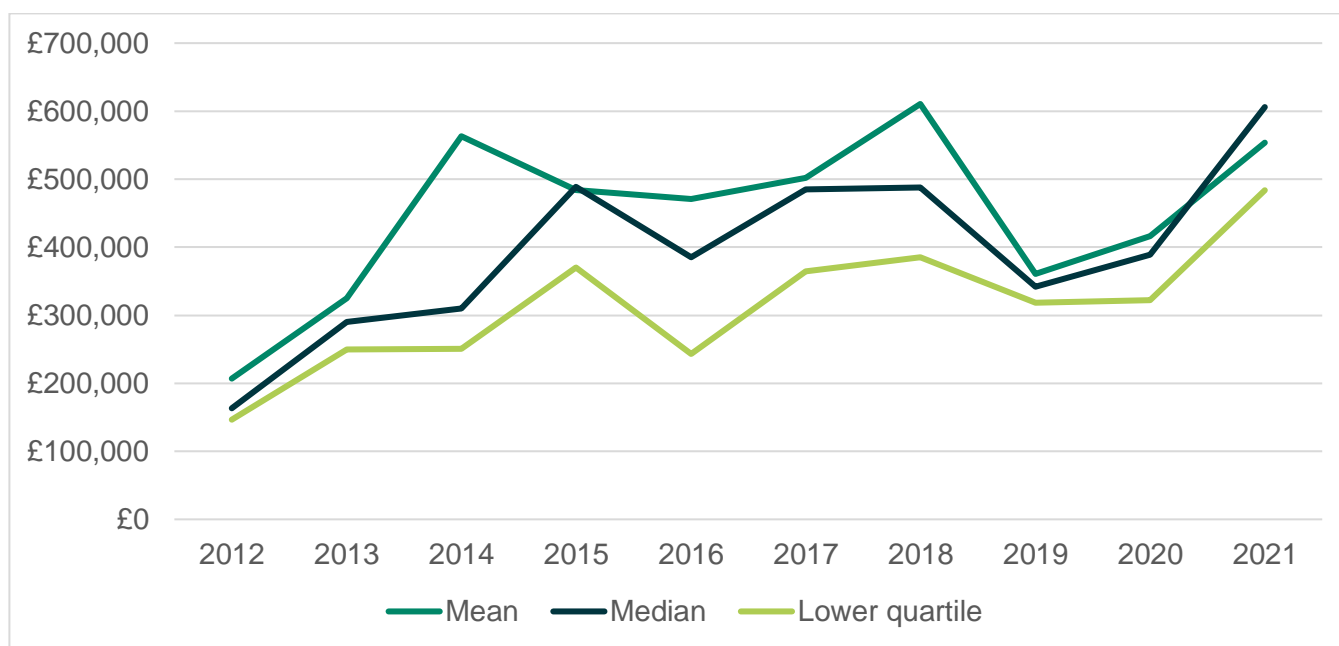
Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

68. 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.
69. Figure 4-1 looks at selected measures of house prices in Ringstead. It shows that between 2012 and 2021 there were considerable fluctuations in house prices in Ringstead. This includes a clear dip in median and lower quartile prices in 2016. This is likely due to the very small sample sizes, with between 6 and 11 transactions each year specifically in Ringstead. Factors including the type, size, location, and condition of properties can have an impact on the transaction value. Overall, the median house price increased substantially by 271.2% in this time to a peak in 2021 of £606,000, having increased significantly since 2019. It is also worth noting that the 2012 figures, calculated from just 6 transactions, likely of smaller dwellings, could be considered a low outlier. Therefore, the median house price percentage increase was also calculated between 2013 and 2021, at a 109.0% increase. The median house price, which is the middle number when the data is sorted from smallest to largest, usually remains below the mean, which captures the average of all house prices meaning the outlying datapoints on the high end cause the mean to increase. In Ringstead there are circumstances where the median slightly exceeds the mean, likely as discussed above due to the small sample sizes. The lower quartile house prices similarly fluctuate, in the same pattern as the median house prices. These prices also peak in 2021 at £483,738 having increased by 230.2% since 2012 (increased by 93.5% since 2013).

**Figure 4-1: House prices by quartile in Ringstead, 2012-2021**



Source: Land Registry PPD

70. Table 4-2 breaks down house prices by type, presenting the median within each type. It shows that, as in Figure 4-1, there is significant fluctuation in house prices. The greatest growth was seen in semi-detached properties, with 270.5% growth between 2012 and 2021. There were too few terraced dwelling transactions for the growth to be established, but it is worth noting that terraced prices fell significantly in 2018 compared to 2017 and 2020. Detached house prices grew with some fluctuation and a clear drop to £380,000 in 2019. The fluctuations seen are likely due to the differences in the condition, location, and size of dwellings sold in a given year. Between 2020 and 2021 the house price growth in detached and semi-detached properties was significant at 37.5% and 54.6% respectively, or £180,000 and £195,000 increases. This is potentially due to the impact of Covid-19 on the housing market and people taking advantage of the Stamp Duty holiday. It could also be the impact of increased levels of second home ownership in Ringstead, causing increasing pressure on house prices locally.

**Table 4-2: Median house prices by type in Ringstead, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£425,000	£310,000	£477,500	£595,000	£525,000	£642,500	£575,000	£380,000	£480,000	£660,000	55.3%
Semi-detached	£149,000	£380,000	£235,000	£385,000	£350,000	£307,500	-	£338,525	£357,000	£552,000	270.5%
Terraced	£221,000	£140,000	£269,500	-	£350,000	£400,000	£220,000	-	£421,100	-	-
Flats	-	-	-	-	-	-	-	-	-	-	-
<b>All Types</b>	<b>£163,250</b>	<b>£290,000</b>	<b>£310,000</b>	<b>£488,750</b>	<b>£385,000</b>	<b>£485,000</b>	<b>£487,475</b>	<b>£341,763</b>	<b>£389,050</b>	<b>£606,000</b>	<b>271.2%</b>

Source: Land Registry PPD



## Income

71. 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.
72. 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 £34,400 in 2018. A map of the area to which this data applies is provided in Appendix A.
73. 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. King's Lynn & West Norfolk's gross individual lower quartile annual earnings were £13,839 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £27,678.
74. 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

75. 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.
76. AECOM has determined thresholds for the income required in Ringstead 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.
77. 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.
78. 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.

79. The same information is presented as a graph in Fig on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £34,400	Affordable on LQ earnings (single earner)? £13,839	Affordable on LQ earnings (2 earners)? £27,678
<b>Market Housing</b>						
Median House Price (2020/2021)	£469,800	-	<b>£134,229</b>	No	No	No
Estimated NA Entry-Level New Build House Price (2020/2021)	£308,108	-	<b>£88,031</b>	No	No	No
LQ/Entry-level House Price (2020/2021)	£289,575	-	<b>£82,736</b>	No	No	No
Average Market Rent	-	£8,833	<b>£29,444</b>	Yes	No	No
Entry-level Market Rent	-	£6,825	<b>£22,750</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£215,675	-	<b>£61,622</b>	No	No	No
First Homes (-40%)	£184,865	-	<b>£52,818</b>	No	No	No
First Homes (-50%)	£154,054	-	<b>£44,015</b>	No	No	No
Shared Ownership (50%)	£154,054	£4,279	<b>£58,280</b>	No	No	No
Shared Ownership (25%)	£77,027	£6,419	<b>£43,404</b>	No	No	No
Shared Ownership (10%)	£30,811	£7,703	<b>£34,479</b>	Marginal	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,376	<b>£17,901</b>	Yes	No	Yes
Social Rent	-	£4,399	<b>£14,648</b>	Yes	Marginal	Yes

Source: AECOM Calculations

80. 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

81. 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 almost 4x higher than the current average.

82. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners can afford the given rental thresholds for entry level (1-

bedroom) properties. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

### **Affordable home ownership**

83. There is a large group of households in Ringstead who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £22,750 per year (at which point entry-level rents become affordable) and £82,736 (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.
84. 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.
85. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It is suggested that First Homes in Ringstead are delivered at a 50% discount. Although this does not make First Homes affordable to households on average incomes, it would still increase access to home ownership in the NA, with households with an income between £44,015 (the income threshold for First Homes at a 50% discount) and £82,736 (the income threshold for market entry-level housing) able to access this product.
86. Table 4-4 shows the discount required for First Homes to be affordable to the three income groups. The estimated cost of a typical First Home is based on new build entry-level house prices in the NA. This price has been estimated based on local authority level uplift between overall market and new build house prices in 2021, applied to the Ringstead lower quartile 2020/2021 house price. This is discussed further in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the estimated NA new build entry-level house price as the best proxy for the cost of a newly built entry-level home in the area. It is also worth thinking about First Homes in relation to the cost of median priced housing and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given in the Table.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price (2020/2021)	74%	90%	79%
Estimated NA Entry-level New Build House Price (2020/2021)	61%	84%	69%
NA Entry-level house price (2020/2021)	58%	83%	67%

Source: Land Registry PPD; ONS MSOA total household income

87. Shared ownership appears to be similarly affordable to First Homes and is broadly accessible to the same groups, with the exception of shared ownership at 10% equity, which is likely to be affordable to households on average incomes. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>11</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.
88. 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.
89. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
90. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupants to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings 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.

<sup>11</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/hws48>.

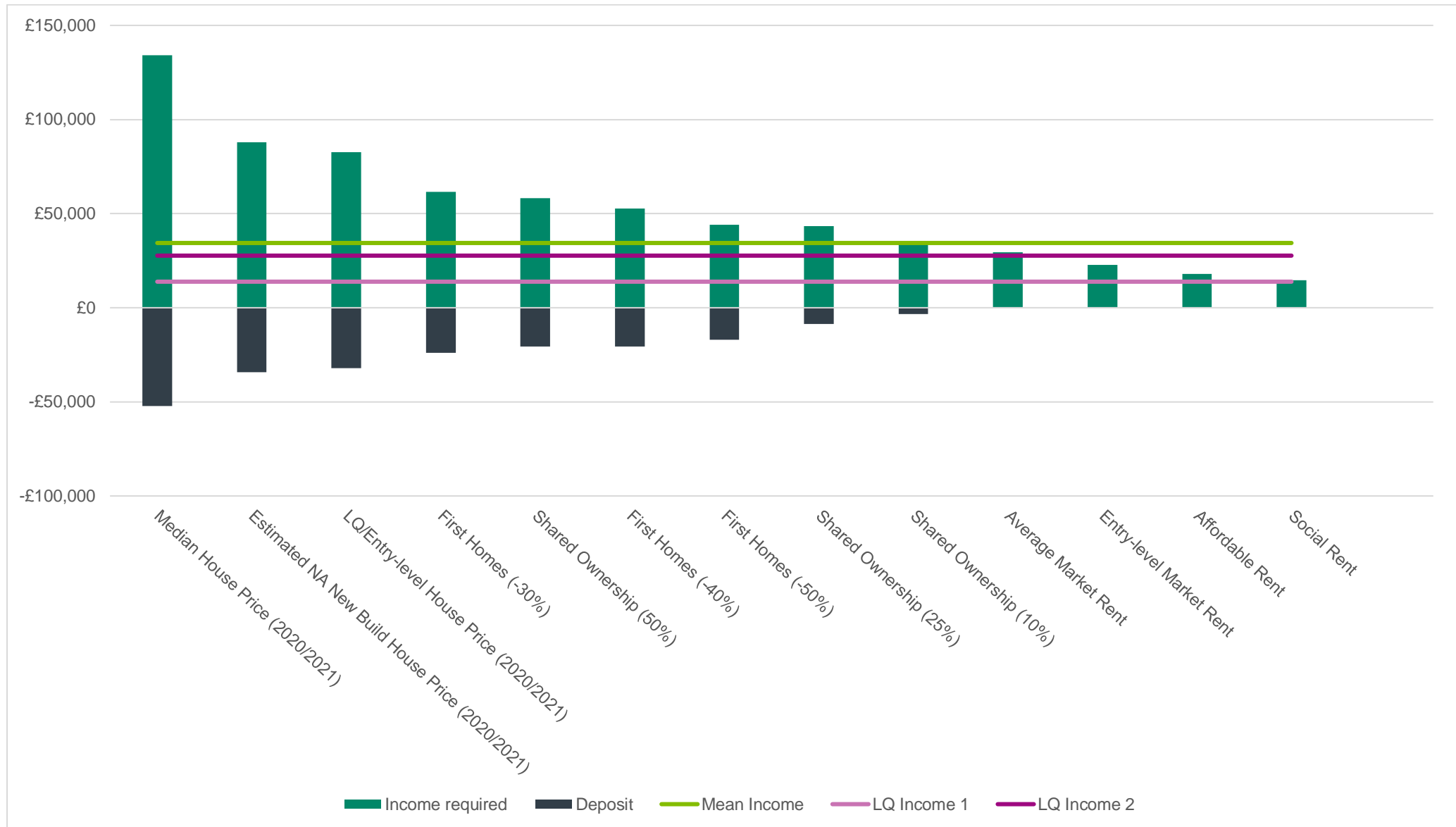
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

91. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at 10% 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**

92. 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). Households with a single lower earner appear to be marginally able to afford socially rented dwellings. For households that cannot afford even the smallest socially rented units, many will require additional subsidy through Housing Benefit to access housing.
93. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Ringstead as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This 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 Ringstead, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

94. The starting point for understanding the need for affordable housing in Ringstead is the relevant Local Housing Need Assessment (LHNA) – the King’s Lynn & West Norfolk Housing Needs Assessment (2020) This study estimates the need for affordable housing in the Borough, 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 LHNA identifies the need for 202 additional affordable homes each year in King’s Lynn & West Norfolk as a whole. Whilst the LHNA does not provide a suggested tenure split for affordable housing, it does provide a suggested tenure split for all new housing in King’s Lynn & West Norfolk, as outlined:

- 53.7% owner occupied;
- 22.0% private rented;
- 7.7% shared ownership;
- 16.7% social/affordable rent.

When looking at just the affordable elements of this recommended split of new housing, the ration between social/affordable rent and affordable home ownership (in this case classified as shared ownership) can be extrapolated to a 68% to 32% split.

95. When the LHNA figures are pro-rated to Ringstead based on its fair share of the population (0.2% of the LPA’s population as per mid-2020 population estimates), this equates to 0.4 homes per annum or 5.6 homes over the Neighbourhood Plan period 2022-2036, roughly equivalent to one every 2 years. Using the proportions of overall housing tenures suggested in the LHNA, 68% of new housing should be for social/affordable rented housing and 32% for affordable home ownership. This would equate to the need for 3.8 units of affordable rented housing and 1.8 units for affordable home ownership over the plan period. However, pro-rating Borough level estimates of affordable housing need to rural areas presents problems in practice. The Borough level figures are likely to represent higher needs in the urban areas of the Borough where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Ringstead, the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Ringstead.

96. It is also important to consider the existing backlog of need in the parish. Housing Register data provided by the Borough Council of King’s Lynn & West Norfolk indicates that as of data provided in March 2022, there were 2 households on the waiting list for social/affordable rented housing currently living in Ringstead. This should be considered as a minimum figure which is

likely to be higher if local connection to the parish was taken into consideration, or even those with a preference for living in the NA. The demand for social/affordable rented housing is highlighted by the number of bids on properties. In 2020/2021, one (4-bedroom) dwelling became available for let in Ringstead, which had 15 bids, emphasising the disparity between demand and supply.

97. 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).
98. 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.

## **Additional LHNA findings**

99. The King's Lynn & West Norfolk Housing Needs Assessment outlines a number of areas which relate to housing tenure and affordability in Ringstead. These are outlined below:
  - The mean gross annual household income in King's Lynn & West Norfolk is 4.6% below the equivalent for Norfolk.
  - The 2018 overall property price in King's Lynn & West Norfolk was 19.5% lower than nationally and 11.5% lower than East Anglia. The average rental price in King's Lynn & West Norfolk was 23.6% lower than nationally and 24.9% lower than the East region.

## **Affordable Housing policy guidance**

100. King's Lynn & West Norfolk's emerging policy on this subject LP28 (Affordable Housing) requires 20% of all new housing to be affordable. Completions data provided by the Borough Council of King's Lynn & West Norfolk did not give a breakdown between market and affordable housing but of the 9 completions, all were on sites below the Affordable Housing threshold. It is therefore assumed that no Affordable Housing has been delivered in Ringstead over the last decade.
101. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
102. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the



emerging Local Plan as 70% rented, 25% First Homes, and 5% shared ownership. The HNA 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 Ringstead specifically.

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

- A. **Evidence of need for Affordable Housing:** Based on the findings of the LHNA, this study estimates that Ringstead requires roughly 5.6 units of Affordable Housing over the plan period. There is no specific split between the need for affordable/social rent and affordable home ownership but using the proportions of overall housing tenures suggested in the LHNA, 68% of new housing should be for social/affordable rented housing and 32% for affordable home ownership. This would equate to the need for 3.8 units of affordable rented housing and 1.8 units for affordable home ownership over the plan period.

These figures are not directly equivalent with the need for affordable rented housing expressing the identified need of a group with acute needs and no alternative options, the need for affordable home ownership 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 20% were achieved on every site, up to around 2 affordable homes might be expected in the NA. Based on the completions data provided by the LPA, 4 sites had planning permission granted as of the end of 2021. Of these, 3 are expected to come forward in the form of small infill developments below the threshold of 5 dwellings, above which the Affordable Housing policy applies. One site, expecting to deliver 10 dwellings, would be above this threshold and based on the Local Plan target should deliver 2 affordable dwellings. This is not sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority.

- C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in King's Lynn & West Norfolk, where 20% of all housing should be affordable, 50% of Affordable Housing should be for affordable ownership. This does not comply with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, the delivery of 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. **Local Plan policy:** As noted above, the emerging Local Plan seeks a tenure split of 70% social/affordable rent, 25% First Homes, and 5% shared 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. Based on the emerging Local Plan policy, which includes a requirement for 25% First Homes, it is assumed that this is not the case in King's Lynn & West Norfolk.

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.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide

at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. **Existing tenure mix in Ringstead:** the tenure mix in Ringstead as of 2011 was mainly comprised of owner occupied dwellings, at 66.7%, with 18.5% of households living in the private rented sector. Approximately 11.1% of housing was affordable, accounting for both social/affordable rented housing and shared ownership. Completions data was used to bring this data up to date, with 9 net completions between 2011 and 2021. There was no market/affordable breakdown in this data, but it is assumed all of this development was for market housing due to the sites all being below the Affordable Housing threshold. It is also worth considering that there may have been loss of social housing stock through Right to Buy or of shared ownership dwellings due to complete staircasing.

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 Ringstead 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.
104. On the basis of the considerations above, Table 4-5 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
105. This indicative mix is chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, that the community consultation identified a key concern of the community was the lack of Affordable Housing and the assumed loss of social/affordable rented stock through Right to Buy. In this context, affordable rented tenures should be prioritised. The emerging Local Plan (Policy LP28) guideline mix of 70% rented to 30% ownership (25% First Homes and 5% shared ownership) appears to offer a suitable benchmark. If the Group agrees with the Local Plan recommendation there is little need to state it in policy as it is the default across the Borough.
106. It is suggested that 70% of new Affordable Housing is delivered as affordable rented tenures, either social or affordable rent. It is suggested that the

remaining 30% is delivered as affordable home ownership tenures in the following split:

- 25% First Homes (at 50% discount); and
- 5% shared ownership (at 10% equity).

It is suggested that the proportion of First Homes is delivered in line with national requirements, at 25% of Affordable Housing delivered on developer-led sites. It is recommended that these are delivered at a 50% discount, subject to viability considerations (about which the LPA may be able to advise). Although this level of discount does not make the product affordable to local households on mean incomes, it does open up home ownership to a larger proportion of the population. This includes households with an income between £82,736 (the income required for market entry-level housing) and £44,015 (the income required for First Homes at 50%). It is also recommended that some shared ownership is delivered at 10% equity as this model is affordable to households on mean incomes and to provide variety. Although Rent to Buy would be a beneficial model to deliver in the NA, it is considered more important to deliver social/affordable rented tenures.

107. 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.
108. 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 the Borough Council of King's Lynn & West Norfolk to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
109. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

**Table 4-5: Indicative tenure split (Affordable Housing)**

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>30%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>70%</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

## Conclusions- Tenure and Affordability

### Current dwelling stock

110. In 2011, the majority of households in Ringstead owned their own home, at a greater proportion than nationally. The proportion of households socially renting their home is significantly below nationally at 10.4% and 17.7% respectively, with Borough levels falling between these figures. Although the provision of social rented housing seems somewhat limited, the proportion of households living in shared ownership dwellings in 2011 in Ringstead was greater than across King's Lynn & West Norfolk as a whole.

111. Between 2012 and 2021 there were considerable fluctuations in house prices in Ringstead, likely due to the very small sample sizes. Overall, the median house price increased substantially by 271.2% in this time to a peak in 2021 of £606,000. The lower quartile house prices similarly fluctuate, in the same pattern as the median house prices. These prices also peak in 2021 at £483,738 having increased by 230.2% since 2012.

## **Affordability**

112. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit, with median house prices would requiring an annual income 290.4% higher than the current average. Households made up of two lower quartile earners can afford the given private rental thresholds for entry level (1-bedroom) properties.
113. Turning to Affordable Housing, the report has estimated the income required to afford First Homes and tested the implications of the various discount levels. It is suggested that First Homes in Ringstead are delivered at a 50% discount to increase access to home ownership in the NA. Shared ownership appears to be similarly affordable to First Homes and is broadly accessible to the same groups, with the exception of shared ownership at 10% equity, which is likely to be affordable to households on average incomes. Shared ownership at 10% equity share allows 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 may provide a better long-term investment to those who can afford to access it.
114. Affordable rented housing is generally affordable to households with two lower earners. Households with a single lower earner appear to be marginally able to afford socially rented dwellings. For households that cannot afford even the smallest socially rented units, many will require additional subsidy through Housing Benefit to access housing.

## **Future affordable housing**

115. The starting point for understanding the need for affordable housing in Ringstead is the King's Lynn & West Norfolk Housing Needs Assessment (2020). When the LHNA figures are pro-rated to Ringstead based on its fair share of the population, this equates to 0.4 homes per annum or 5.6 homes over the Neighbourhood Plan period 2022-2036. Based on the LHNA split, this would equate to a need for 3.8 units of affordable rented housing and 1.8 units for affordable home ownership over the plan period.
116. Housing Register data provided by the Borough Council of King's Lynn & West Norfolk indicates there were 2 households on the waiting list for social/affordable rented housing currently living in Ringstead. The demand for social/affordable rented housing is highlighted by the number of bids on properties, with 15 bids for one 4-bedroom property in the NA in 2020/2021.
117. It is suggested that 70% of new Affordable Housing is delivered as affordable rented tenures, either social or affordable rent. This mix should be viewed as a starting point, based primarily on secondary evidence. It is suggested that the remaining 30% is delivered as affordable home ownership tenures in the following split:
- 25% First Homes (at 50% discount); and
  - 5% shared ownership (at 10% equity).

It is recommended that the proportion of First Homes is delivered at a 50% discount. Although this level of discount does not make the product affordable to local households on mean incomes, it does open up home ownership to a larger proportion of the population. It is also recommended that some shared ownership is delivered at 10% equity as this model is affordable to households on mean incomes and to provide variety. Although Rent to Buy would be a beneficial model to deliver in the NA, it is considered more important to deliver social/affordable rented tenures.

118. 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).
119. The expected level of delivery, primarily due to a housing requirement figure of 0, does not meet the quantity of demand identified in estimates of the need for affordable housing. The recommendation is that the policy requirement for 20% of new homes to be affordable be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group consider exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
120. 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

121. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Ringstead 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.
122. 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

123. 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.
124. 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.
125. 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.
126. 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.

127. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. The completions data provided by the Borough Council of King's Lynn & West Norfolk did not split this data into types of sizes of dwellings. Therefore, Valuation Office Agency (VOA) data has to be relied upon. This is available at LSOA level at the smallest scale, meaning that the data covers a slightly wider area than Ringstead specifically. LSOA E01026681 has been used in this instance, which covers the entire NA as well as Old Hunstanton and Holme-next-the-Sea. This area is considered a reasonable proxy for the NA and is why percentages as opposed to raw figures have been used in the tables.

## Dwelling type

128. Table 5-1 shows the mix of dwelling types in the NA in 2011, based on 2011 Census data. This is then brought up to date to 2021 using VOA data. As discussed above, the VOA data covers a slightly wider proxy area than the Census. Therefore, 2011 VOA data is also used in this comparison to show more consistent changes between 2011 and 2021, as well as including data on bungalows which the Census counts within the semi-detached and detached categories.
129. The table shows that according to the 2011 Census and the 2011 VOA data, the vast majority of dwellings in the NA were detached, at 51.8% and 38.6% respectively, with the discrepancy in these figures likely due to the inclusion of bungalows in the former. Looking at the 2011 VOA data, the second most prominent category was bungalows, followed by semi-detached dwellings. Both the 2011 VOA and Census data show that the smallest proportion of dwellings in the NA were flats and terraced dwellings, suggesting a lack of more affordable, likely smaller, dwellings.
130. Bringing this data up to date, comparing 2011 VOA and 2021 VOA data shows that the dwelling mix stayed very stable, perhaps indicative of a lack of development in this time. Minimal increases in the proportion of detached, semi-detached are seen whilst there was no change in the proportion of flats. The proportion of bungalows in the NA decreased very slightly, potentially due to development of other types of dwelling reducing the proportion in the overall mix, or due to second storey extensions of existing bungalows.

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

Dwelling type	2011 (Census)	2011 (VOA)	2021 (VOA)
Bungalow	-	27.7%	27.3%
Flat	3.0%	2.0%	2.0%
Terrace	10.2%	11.9%	12.1%
Semi-detached	35.0%	15.8%	16.2%
Detached	51.8%	38.6%	39.4%
Unknown/other	-	4.0%	3.0%

Source: ONS 2011, VOA 2021, AECOM Calculations

131. Comparing the dwelling mix to the wider Borough and country using VOA data shows that Ringstead has a significantly higher proportion of detached dwellings than the Borough and country, with a significantly higher proportion of bungalows than nationally. The proportion of semi-detached and terraced dwellings is well below the levels for King’s Lynn & West Norfolk and England, suggesting a lack of smaller, more affordable dwellings. Also of note is the very small proportion of flats, at 2.0% in the NA, compared to these accounting for 23.2% of dwellings nationally, which is not uncommon in rural areas.

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

Dwelling type	Ringstead	KLWN	England
Bungalow	27.3%	27.4%	9.4%
Flat	2.0%	9.4%	23.2%
Terrace	12.1%	16.8%	26.3%
Semi-detached	16.2%	21.9%	23.8%
Detached	39.4%	21.6%	16.0%
Unknown/other	3.0%	3.0%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

132. Turning to dwelling size, Table 5-3 compares the size mix in Ringstead in 2011 and 2021. It shows that in both 2011 and 2021, the dominant dwelling size category in the NA was 3-bedroom dwellings at 48.1% and 42.6% respectively, indicating a decline in this time. In this time there was a significant increase in the proportion of 4-bedroom dwellings, from 16.3% to 24.5% of dwellings. These two indicators combined could suggest that as well as the development of larger dwellings in this time period, there may also have been conversions or extensions to convert 3-bedroom dwellings into larger 4-bedroom dwellings. The proportion of 2-bedroom dwellings in the NA fell slightly, also indicative of potential extensions to smaller dwellings. However, the proportion of the largest 5+ bedroom dwellings also fell between 2011 and 2021.

**Table 5-3: Dwelling size (bedrooms), Ringstead, 2011 and 2021**

Number of bedrooms	2011 (Census)	2021 (VOA)
1	3.0%	3.2%
2	25.2%	23.4%
3	48.1%	42.6%
4	16.3%	24.5%
5+	7.4%	6.4%

Source: ONS 2011, VOA 2021, AECOM Calculation

133. It is useful again to look at the breakdown of dwelling sizes in comparison with the wider Borough and country. Table 5-4 shows that Ringstead has a significantly higher proportion of the larger 4-bedroom and 5+ bedroom dwellings than both the Borough and the country, suggesting a lack of smaller more affordable dwellings. This is highlighted by the small proportion of 1-bedroom dwellings at just 3.2%, with the proportion of 2-bedroom dwellings (23.4%) also well below Borough and national levels, at 30.4% and 28.1% respectively. The proportion of mid-sized dwellings is roughly in line with England and King's Lynn & West Norfolk as a whole.

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

Number of bedrooms	Ringstead	KLWN	England
1	3.2%	7.5%	12.3%
2	23.4%	30.4%	28.1%
3	42.6%	44.3%	43.4%
4	24.5%	14.3%	12.2%
5+	6.4%	3.3%	3.3%

Source: VOA 2021, AECOM Calculations

## Age and household composition

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

### Age structure

135. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. In 2011 the greatest proportion of NA residents were aged 45-64 at 33.3% of the total population, followed by those aged 65-84 at 20.7%. The smallest proportion were aged 85 and over, followed by those aged 16-24 at just 8.0%. By 2020 this latter category had fallen to 6.6%, indicating that young people may be moving away from the NA, potentially due to a lack of affordable housing options. In this time period the proportion of the population aged 65-84 grew significantly, from 20.7% to 31.1%, indicative of a rapidly aging population in the NA. There was also an increase in the oldest individuals from 2.5% to 4.6% of the populations in 2011 and 2020. Overall

however there was a decrease in people living in the NA from 324 at the time of the 2011 Census to 302 in 2020 according to ONS population projections.

136. 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.

137. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

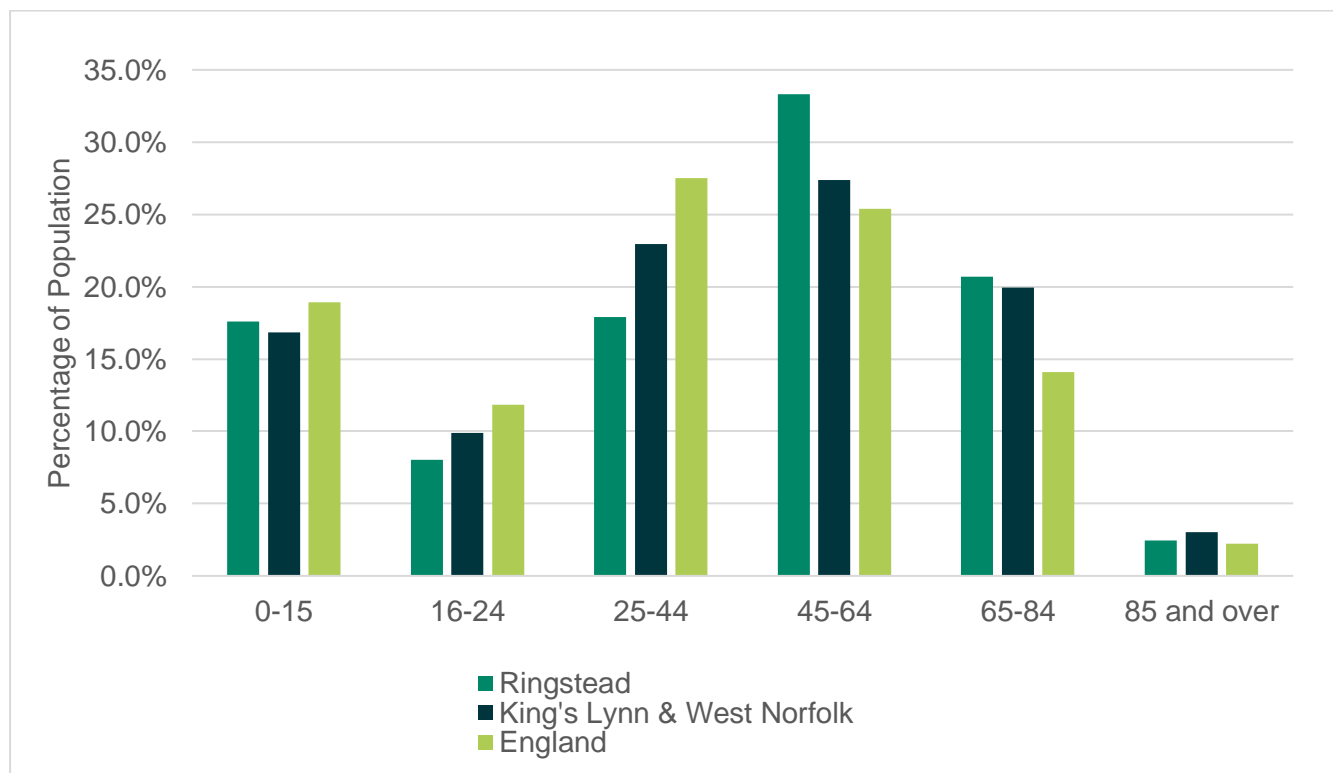
**Table 5-5: Age structure of Ringstead population, 2011 and 2020**

<b>Age group</b>	<b>2011 (Census)</b>		<b>2020 (ONS, estimated)</b>	
0-15	57	17.6%	43	14.2%
16-24	26	8.0%	20	6.6%
25-44	58	17.9%	28	9.3%
45-64	108	33.3%	103	34.1%
65-84	67	20.7%	94	31.1%
85 and over	8	2.5%	14	4.6%
<b>Total</b>	<b>324</b>	<b>-</b>	<b>302</b>	<b>-</b>

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

138. For context, it is useful to look at the NA population structure alongside that of the Borough and country. Figure 5-1 (using 2011 Census data) shows that Ringstead had a significantly smaller proportion of the population aged 16-24 than both the Borough and the country, with this also evident in those aged 25-44. Conversely, there was a significantly higher proportion of the population aged 45-64 in the NA than both King's Lynn & West Norfolk and England. The proportion of people aged 65-84 in the NA was relatively in line with the Borough but above national levels, further indicative of the rapidly aging population in Ringstead.

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



Source: ONS 2011, AECOM Calculations

## Household composition

139. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that there was a significantly smaller proportion of single person households in Ringstead than across the Borough and the country, at 21.5%, 27.2%, and 30.2% respectively. This means that there was a higher proportion of family households in the NA. The proportion of family households wholly aged 65 and over was significantly above national levels, at 14.1% in Ringstead and 8.1% across the country. The proportion of families with dependent children was relatively in line with Borough and national levels, as well as those with non-dependent children. However, the proportion of family households with no children in both Ringstead and King's Lynn & West Norfolk was around 4 percentage points above England.

140. While the data is quite old at this point, it is interesting to observe the changes in household composition between 2001 and 2011 within the NA. Of note is the decline in single person households in this time period, of 31.0%, compared to increases in both comparator areas. This may be indicative of a lack of smaller dwellings suitable for single person households or lack of affordability which means that single person households would be unable to access open market housing in Ringstead. Also of note is the decline in households with no children of 21.6% whilst the Borough grew by 10.7%. The 2021 Census, which will be released over the coming months and potentially years (at the smallest scale) will provide more up-to-date information on household composition in the NA.

**Table 5-6: Household composition, Ringstead, 2011**

Household composition		Ringstead	KLWN	England
<b>One person household</b>	<b>Total</b>	<b>21.5%</b>	<b>27.2%</b>	<b>30.2%</b>
	Aged 65 and over	10.4%	14.4%	12.4%
	Other	11.1%	12.8%	17.9%
<b>One family only</b>	<b>Total</b>	<b>71.1%</b>	<b>66.6%</b>	<b>61.8%</b>
	All aged 65 and over	14.1%	13.0%	8.1%
	With no children	21.5%	21.4%	17.6%
	With dependent children	25.2%	23.2%	26.5%
	All children Non-Dependent <sup>12</sup>	10.4%	9.0%	9.6%
<b>Other household types</b>	<b>Total</b>	<b>7.4%</b>	<b>6.2%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

141. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
142. Under-occupancy is relatively common in the NA, with 81.5% of households living in a dwelling with at least one additional bedroom in relation to the size of their household. Under-occupancy is most common in family and single person households aged 65+, both of which have 100.0% under-occupancy in the NA. This suggests that larger housing isn't necessarily being occupied by households with the most family members but by older people who have chosen not to or have been unable to move to smaller properties. A lack of suitable smaller dwellings exacerbates this issue as it makes downsizing difficult. Families aged under 65 with no children also commonly under-occupy their homes, with 93.1% of these households under-occupying, suggesting that those with the most wealth also live in the largest dwellings.
143. Despite high levels of under-occupancy, there is still some over-occupancy in Ringstead, with 2.9% of families with dependent children living in a dwelling with too few bedrooms for their needs. Overall, in 2011, 17.8% of households in the NA lived in a dwelling with the appropriate number of bedrooms for the number of family members.

<sup>12</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

**Table 5-7: Occupancy rating by age in Ringstead, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	52.6%	47.4%	0.0%	0.0%
Single person 65+	71.4%	28.6%	0.0%	0.0%
Family under 65 - no children	65.5%	27.6%	6.9%	0.0%
Family under 65 - dependent children	20.6%	38.2%	38.2%	2.9%
Family under 65 - adult children	7.1%	64.3%	28.6%	0.0%
Single person under 65	40.0%	46.7%	13.3%	0.0%
All households	41.5%	40.0%	17.8%	0.7%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

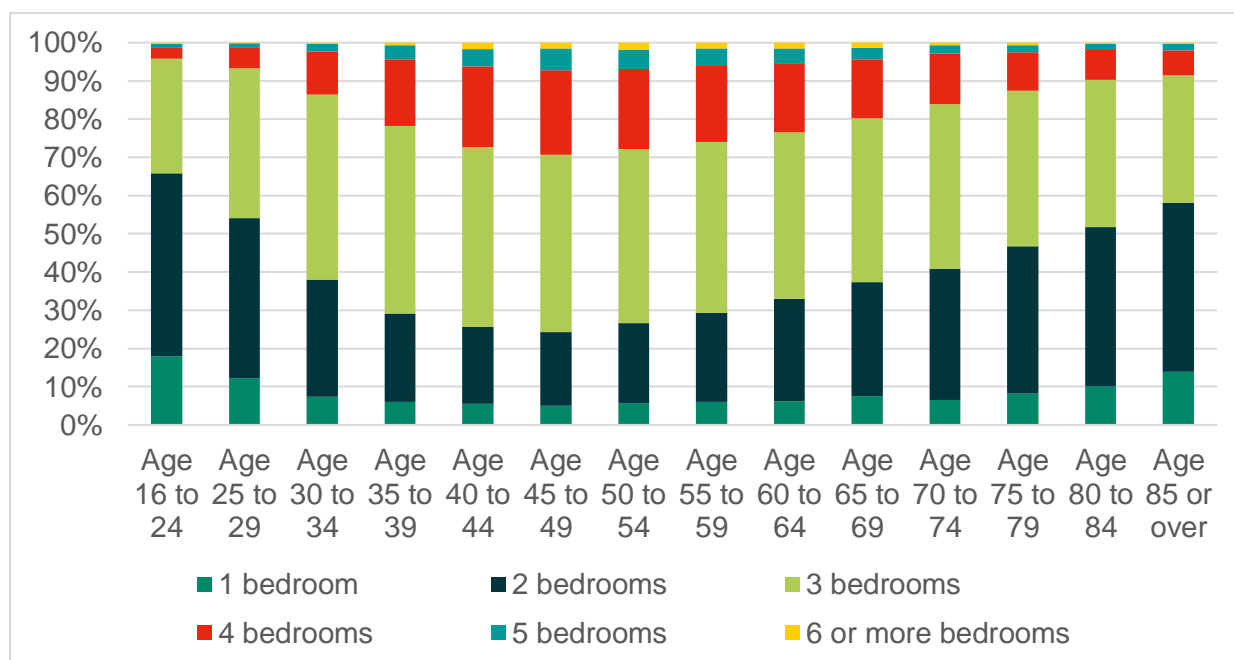
144. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood 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 Ringstead households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.

- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
  - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
    - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
145. 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.
146. 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.
147. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
148. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for King's Lynn & West Norfolk 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 King’s Lynn & West Norfolk, 2011**



Source: ONS 2011, AECOM Calculations

149. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Ringstead 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 an expected 44% increase in households with a household reference person aged 65 and over, further evidence of the aging population discussed above. Households with a household reference person aged 55-64 also increase slightly, by 4%, whilst all other categories see an expected decline in their weighting over the plan period. It is worth noting that although some of the percentage changes are high, this still may only represent the raw change of a couple of households.

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1	9	48	27	50
2036	1	8	43	28	72
% change 2011-2036	-31%	-11%	-10%	4%	44%

Source: AECOM Calculations

150. The final result of this exercise is presented in Table 5-9 below. The model suggests that the 2036 target mix should have a greater weighting of the smaller 1-bedroom and 2-bedroom dwellings than the 2011 stock to account for the existing lack of dwellings of this size. Additionally, it suggests that there should be a reduction in the proportion of mid-sized and larger dwellings.

151. In order to achieve this new balance of housing it is suggested that the majority

of housing, at 57.3% of development, is delivered as 2-bedroom dwellings, followed by 1-bedroom dwellings at 36.1%. However, even for smaller households, 2-bedroom dwellings are often more desirable, if affordable for households, than 1-bedroom dwellings. Therefore, the Steering Group may prefer to reduce the weighting on 1-bedroom dwellings to an extent. Additionally, the suggestion that only 1.6% of dwellings should be delivered as 3-bedroom mid-sized dwellings may also warrant an upward adjustment despite the size dominance in the NA due to these being some of the more versatile dwellings, suitable for older persons downsizing and for growing families.

152. Community consultation undertaken in autumn 2021 also found that respondents felt most commonly that 2-bedroom and 3-bedroom dwellings should be delivered in Ringstead. This is in line with the AECOM model in terms of prioritising the delivery of 2-bedroom dwellings and is further justification for the Group potentially altering the mix to increase the proportion of 3-bedroom dwellings brought forward in future developments. The model suggests that there should be limited development of the larger dwellings in order to reduce their presence in the market.

**Table 5-9: Suggested dwelling size mix to 2036, Ringstead**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Target mix (2036)</b>	<b>Balance of new housing to reach target mix</b>
1 bedroom	3.0%	7.5%	36.1%
2 bedrooms	25.2%	30.1%	57.3%
3 bedrooms	48.1%	43.0%	1.6%
4 bedrooms	16.3%	15.2%	5.0%
5 or more bedrooms	7.4%	4.3%	0.0%

Source: AECOM Calculations

153. 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.
154. 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. As discussed above, young starter families and downsizing older households mentioned may both need 'mid-sized' homes but are likely to have extremely different requirements and degrees of purchasing power. Therefore, 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.

155. However, 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 some provision of 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.
156. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

### The LHNA findings

157. The King’s Lynn & West Norfolk LHNA outlines the suggested size of future dwellings across all tenures in Table 5-10 below. This shows that a variety of sizes of dwelling are required across the Borough, in all dwelling types. It is difficult to compare this to the recommended dwelling size split above for Ringstead due to the AECOM model being representative of the whole housing market as opposed to split between different tenures. Table 5-10, along with discussions with the local authority regarding the local Housing Register, may be helpful in determining the appropriate sizes for Affordable Housing in the parish.

**Table 5-10: Size of new accommodation required in the Borough between 2016 and 2036 by tenure (Replicated from King’s Lynn & West Norfolk HNA – Table S.2)**

<b>Dwelling size</b>	<b>Owner-occupied</b>	<b>Private rented</b>	<b>Shared ownership</b>	<b>Social rent / affordable rent</b>
<b>One bedroom</b>	821	558	151	457
<b>Two bedrooms</b>	1,519	341	218	570
<b>Three bedrooms</b>	1,313	533	228	270
<b>Four or more bedrooms</b>	1,797	797	183	398
<b>Total</b>	<b>5,450</b>	<b>2,229</b>	<b>780</b>	<b>1,696</b>

Source: King’s Lynn & West Norfolk Housing Needs Assessment (2020)

## Conclusions- Type and Size

158. 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.

### Current dwelling mix

159. In 2011, the vast majority of dwellings in the NA were detached. The smallest proportion of dwellings were flats and terraced dwellings, suggesting a lack of more affordable, likely smaller, dwellings. Bringing this data up to date, 2011 and 2021 data showed that the dwelling mix remained very stable, perhaps indicative of a lack of development in this time. The proportion of bungalows in the NA decreased very slightly, potentially due to development of other types of dwelling reducing the proportion in the overall mix, or due to second storey extensions of existing bungalows. Ringstead has a significantly higher proportion of detached dwellings than the Borough and country, with the proportion of semi-detached and terraced dwellings well below the levels for King's Lynn & West Norfolk and England, again suggesting a lack of smaller, more affordable dwellings.

160. Turning to dwelling size, in both 2011 and 2021, the dominant dwelling type in the NA was 3-bedroom dwellings despite a small decline in this time. There was a significant increase in the proportion of 4-bedroom dwellings, potentially due to the conversion of 3-bedroom dwellings into larger 4-bedroom dwellings. Ringstead has a significantly higher proportion of larger 4-bedroom and 5+ bedroom dwellings than both the Borough and the country and very few 1-bedroom dwellings at just 3.2% of the mix.

### Demographics

161. In 2011 the greatest proportion of NA residents were aged 45-64, followed by those aged 65-84 at 20.7%. The latter grew significantly by 2020 to 31.1%, indicative of a rapidly aging population in Ringstead. Growth can be expected to continue to be driven by the oldest households, with an expected 44% increase in households with a household reference person aged 65 and over by the end of the plan period. Between 2011 and 2020, those aged 16-24 fell, indicating that young people are moving away from the NA, potentially due to a lack of affordable housing options. Ringstead had a significantly smaller proportion of the population aged 16-24 than both the Borough and the country, with this also evident in those aged 25-44.

162. Under-occupancy is relatively common in the NA, with 81.5% of households living in a dwelling with at least one additional bedroom in relation to the size of their household. This is most common in households aged 65+ and younger

families with no children. This suggests that that larger housing isn't necessarily being occupied by households with the most family members but by older people who have chosen not to or have been unable to move to smaller properties or those with the most wealth. A lack of suitable smaller dwellings exacerbates this issue as it makes downsizing difficult.

### **Future size mix**

163. AECOM modelling suggests that the 2036 target mix should have a greater weighting of smaller 1-bedroom and 2-bedroom dwellings than the 2011 stock to account for the existing lack of dwellings of this size. In order to achieve this new balance of housing it is suggested that the majority of housing, at 57% of development, is delivered as 2-bedroom dwellings, followed by 1-bedroom dwellings at 36%. There should be limited development of the larger dwellings in order to reduce their presence in the market. The Steering Group may wish to alter the weightings based on their aims, with the model a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options.
164. It would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## 6. RQ 3: Second Homes

***RQ3: What is the scale and potential impact of the second homes sector on the Ringstead housing market, and how might this be addressed through policy?***

### Introduction

165. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.
166. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
167. Ringstead clearly exhibits these wider challenges, with fairly extreme affordability issues, as demonstrated in Chapter 4, no housing requirement figure and so limited expected future development, and a lack of supporting infrastructure, resulting in a dependency on cars for commuting. Community consultation undertaken in autumn 2021 by the Group also found that a key concern for the local residents was the levels of second home ownership in the parish, with 61% of respondents identifying this as an issue.
168. This section of the HNA gathers the limited available data on the rate of second home ownership in Ringstead that may be used to support policy decisions in this area.

### Second and Holiday Homes Data

169. Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.
170. The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019<sup>13</sup>,

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<sup>13</sup> Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.

171. Turning to the NA specifically, Ringstead contained 135 households and 197 dwellings in 2011, implying that there were 62 dwellings (or 'household spaces') with no usual resident household. 31.5% of dwellings therefore had no usual residents.
172. For comparison, the rate of dwellings that had no usual residents across King's Lynn & West Norfolk as a whole in 2011 was 14.9%, significantly lower than Ringstead. This may be due to the wide area that the Borough Council of King's Lynn & West Norfolk covers. Whilst the North Norfolk coastline areas of Hunstanton, Heacham, Holme-next-the-Sea, and Brancaster likely to have higher proportions of second homes, the Borough stretches inland to the larger urban settlements of King's Lynn, Downham Market, and the outskirts of Wisbech, where the prominence of second home ownership is likely to be low. This is especially true of holiday lets, with second home ownership in these areas more likely to be linked to the private rented sector.
173. For England, the rate was 4.0%. it is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA and its proximity to the popular destination of Hunstanton it is assumed that the majority of dwellings without usual residents are second homes, either for personal use or for holiday lettings.
174. Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:
- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second/holiday homes below would be captured:
    - Second homes that are never rented and only used by the owner;
    - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
    - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
  - In January 2022 the Government tightened the rules on second homes and business rates. This means that as well as being available for rent for at least 140 days a year, from April 2023, second homeowners will have to prove that

holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief<sup>14</sup>.

- It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes, including those rented out for holiday lets, are obliged to fill in a Census return. This indicator is therefore only useful for context and for any indication it may give of growth over time.
- This data is only provided for medium and lower super output areas. The data discussed below therefore refers to LSOA E01026681 which encompasses the entire NA as well as the town of Hunstanton.

175. There are 350 premises with an 'other' business use in the LSOA in 2021, which indicates any premises not used as retail, office, or industry. The 'other' sector covers a variety of business uses and its makeup will vary according to the nature of the location. In Ringstead it is likely that the dominant use in this category is tourism and hospitality. Pro-rating this figure specifically to Ringstead using population estimates (NA is 24.1% of the LSOA population based on mid-2020 population estimates) gives a figure of 84 dwellings with a business rate of 'other' in the NA. This is above the number of dwellings with no usual resident in the NA calculated later in this chapter for 2020/2021 but it may be that some occupied homes also have an additional business use. It is worth noting that this just gives an indication of scale compared to the LSOA figure and is not necessarily a completely accurate figure as proportions may not be split exactly based on population levels of the parishes in the LSOA.
176. Across King's Lynn & West Norfolk, there were 3,120 ratable premises in the 'other' sector in 2020/2021, of which 1,010 were category 131 holiday homes (self-catering). That is 32.4% of 'other' premises. It might therefore be estimated that 32.4% of the 84 'other' units in the NA are holiday homes, equating to 27 properties. It is worth noting here, as discussed above, that there may be some difference in second home ownership across the Borough. Therefore, the percentage of dwellings in the 'other' sector that are classified as holiday homes (self-catering) is likely to be higher within the NA than across the wider Borough.
177. The second and holiday home market is likely to have changed significantly between 2011 and today.
178. On the approximate and limited basis that the number of properties in the 'other' band for business rates in the Ringstead LSOA has grown by 12.9% since 2011 (from 310 to 350, we can estimate that the number of 'other' properties in the NA grew from 75 to 84). Assuming, in line with the King's Lynn & West Norfolk, proportions of 'other' units that 32.4% are holiday homes, this means that we can estimate that the number of holiday homes in Ringstead grew from 24 to 27 between 2011 and 2021. As mentioned above, this only accounts for properties that are registered for business rates and are therefore commercially let out as holiday homes. It is also assumed to be a minimum figure for holiday lets as it is based on the local authority level proportions of holiday lets within

<sup>14</sup> Available here: <https://www.gov.uk/government/news/gove-closes-tax-loophole-on-second-homes>



the 'other' business rates category. King's Lynn & West Norfolk consists of a wide range of settlements, some of which would be unlikely to have holiday lets, meaning the NA proportion is likely to be higher.

179. Alongside this analysis, AECOM undertook further research based on the number of properties in the NA registered for business rates, specifically self-catering holiday units. This was undertaken by individually searching the postcodes of the parish and as of April 2022 gave a figure of 32 commercial holiday lets registered for business use specifically in Ringstead NA. This is slightly above the figure of 27 calculated above. This is expected due to the wide area that the Borough Council of King's Lynn & West Norfolk covers, with coastal areas such as Ringstead and Hunstanton as well as locations less likely to have high levels of holiday lets, such as King's Lynn and Downham Market. This may also be due to the fact that this data is at least a year more up to date than the sources used above and may therefore indicate growth in that year, with Covid-19 increasing the number of domestic holidays and therefore the number of commercial holiday lets in England.
180. This estimate of growth requires a caveat. The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year (for instance as a result of the introduction of sites like Airbnb). The increase between 2011 and 2021 is likely not to be solely an increase in second homes, but also include the transfer of personal second homes into commercial holiday lets. The data cannot reflect on any trends in the number of second homes that are not let out or not enough to meet the business rates threshold. There is the potential that the Covid-19 pandemic has also had an impact, limiting the number of days it was possible to let out second homes through 2020 and 2021 due to national lockdowns and restrictions. This may therefore have meant that some second homes that were originally let out enough to be eligible to pay business rates were not in these years.
181. In order to estimate the overall levels of second home ownership in the NA, not just those eligible for business rates, the difference between the number of households and the number of dwellings in the NA needs to be considered. Based on the 2011 Census data and the housing completions data provided by the Borough Council of King's Lynn & West Norfolk, it is assumed there were 206 dwellings in Ringstead in 2021. Mid-2020 population estimates indicate that the population fell between 2011 and 2020 to 302 residents. Taking the 2011 average household size of 2.40 it can be calculated that there were roughly 126 households in Ringstead in 2020. If in 2020/2021 there were 206 dwellings and 126 households in the NA then this implies that there were 80 dwellings (or 'household spaces') with no usual resident household. 38.8% of dwellings therefore had no usual residents and could be assumed to be second homes. This is roughly in line with the Steering Group's belief that there are currently at least 60 second homes or holiday lets in the NA<sup>15</sup>. This AECOM calculated

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<sup>15</sup> As per email from group 31/05/2022

estimated level is a relatively significant increase on the proportion of second homes in 2011, which accounted for 31.5% of all dwellings.

182. It is worth noting that this is an estimate of the proportion of second homes in the NA, based on ONS population estimates and the estimated number of dwellings in the NA in 2021. It is however the most accurate way of establishing second home ownership in Ringstead in the present day. The release of the 2021 Census in the coming months will provide further clarity on the number of dwellings in the NA with no usual resident household.
183. It is clear that with such high levels of second home ownership in the NA, and the demand for second homes, that this has had an adverse effect on affordability for local people. It may be worth assessing here the difference in potential income between private landlords and holiday lets in Ringstead. In order to undertake this comparison, the number of whole property holiday lets available for a week rental in holiday season (July/August/September) 2022 was established from holiday rental site Airbnb<sup>16</sup>. At this time there were 19 entire property lets available for weekly lettings in this time period. There is the caveat with this finding that not all holiday lets will be listed on this site, and that some high demand properties may already be fully booked for summer 2022 and therefore not listed. It was then determined the average letting price, which could then be compared to the average rental price of private rented properties in Ringstead. This process is outlined below:
- Average nightly cost of Ringstead holiday let (July/August/September 2022) from Airbnb properties = £203.11
  - Average weekly cost of above = £203.11 \* 7 = £1,421.74
  - Average monthly cost of above = £1421.74 \* 4 = £5,686.95
  - Average monthly cost of private rented dwelling in the NA<sup>17</sup> = £736.11
184. These calculations show that if a holiday let was rented back-to-back, as it could be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 672.6% greater than associated with longer term private rental. This may go some way to explain the dominance of holiday lets in the NA. The impact on the private rental sector in Ringstead can also be seen to an extent, with the proportion of households living in the private rental sector in the NA falling by 16.7% between 2001 and 2011, compared to increases of 96.2% across King's Lynn & West Norfolk and of 82.4% nationally. Although dated figures, these may demonstrate the increase in holiday rentals reducing the provision of private rented housing in the NA. This in turn would have a detrimental impact on affordability as demand may outweigh the available supply.
185. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance

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<sup>16</sup> Search of properties as of 10<sup>th</sup> January 2022

<sup>17</sup> As of 20<sup>th</sup> December 2021 – covering the private rented sector proxy area discussed in the Appendix.

costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

## Policy Considerations

186. It is not only Ringstead within King's Lynn & West Norfolk that has housing challenges relating to second home ownership. The Holme-next-the-Sea Neighbourhood Plan<sup>18</sup> includes policy relating to second home ownership and principal residency requirements, demonstrating the possibilities for neighbourhood plan policies within the Borough. It is advised that the group read the examiner's report on this Neighbourhood Plan policy for guidance on future policy drafting.
187. The affordability evidence establishes a clear context of poor and worsening affordability in Ringstead that prevents local people from moving to homes better suited to their needs within the neighbourhood and prevents younger households without significant financial help from accessing suitable housing.
188. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is highly likely that the second homes market is a factor in the price in prices and declining affordability in the area. Furthermore, there are substantial financial incentives to let properties to holiday makers rather than long term tenants in the private rented sector. The private rented sector in the NA fell considerable between 2001 and 2011, potentially constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.
189. AECOM suggest this is strong potential reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

## Conclusions- Second homes

190. This section of the HNA considers the current extent of second home ownership in Ringstead and related trends.
191. In 2011, Ringstead contained 135 households and 197 dwellings, implying that there were 62 dwellings with no usual resident household. This means that

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<sup>18</sup> Available at [https://holmentspc.com/wp-content/uploads/2021/07/Part-B\\_V2-2021-01-28.pdf](https://holmentspc.com/wp-content/uploads/2021/07/Part-B_V2-2021-01-28.pdf)

31.5% of dwellings had no usual residents, compared to 14.7% across King's Lynn & West Norfolk and around 4.0% nationally.

192. When looking at holiday lets eligible for business rates specifically, it is estimated that in 2020/2021, there were approximately 84 premises in the Ringstead categorised as 'other'. Of these, based on Borough level calculations, 32.4% were specifically classified as holiday homes (self-catering), totalling 27 properties. Between 2011 and 2021, the number of properties assumed to be categorised as holiday lets in Ringstead grew by 12.9%.
193. Further, more locally specific, research was undertaken based on the number of properties in the NA registered for business rates, specifically self-catering holiday units using individual postcodes<sup>19</sup>. This gave a figure of 32 commercial holiday lets in April 2022. This indicates that the proportion of 'other' properties that are specifically holiday lets in the NA is much higher, as suspected, than the proportion for King's Lynn & West Norfolk used in AECOM's calculations, with this the most localised this data could be collected. It could therefore be reasonable to assume there are in the region of 32 commercial holiday lets (eligible for business rates) in the NA as of April 2022.
194. Based on dwelling completions data to 2021 and ONS mid-2020 population estimates, it is calculated that in 2020/2021 there were 80 dwellings with no usual resident in Ringstead, assumed to be second homes. This accounts for 38.8% of dwellings in the NA, a relatively significant increase on the proportion in 2011 of 31.5%.
195. The demand for second homes in the NA is likely to have had an adverse effect on affordability for local people. There is a clear difference in the potential income between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Ringstead is £5,687 compared to the average monthly cost of a private rented dwelling of £736. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector.
196. AECOM suggest there may be reason to apply a Principal Residence Policy or similar in the NA. It is suggested that discussions with the Borough Council of King's Lynn & West Norfolk are included in the development of policies such as this. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

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<sup>19</sup> Searches conducted via <https://www.tax.service.gov.uk/business-rates-find/list-properties>

## 7. Recommendations for Next Steps

197. This Neighbourhood Plan housing needs assessment aims to provide Ringstead 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 the Borough Council of King's Lynn & West Norfolk 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 the Borough Council of King's Lynn & West Norfolk;
- 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 the Borough Council of King's Lynn & West Norfolk.

198. 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.

199. 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, the Borough Council of King's Lynn & West Norfolk, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

200. 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

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

202. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Ringstead, it is considered that MSOA E02005551 is the closest realistic proxy for the Neighbourhood Area boundary, and as such, this is the assessment geography that has been selected. A map of E02005551 appears in Figure A-1.

**Figure A-1: MSOA E02005551 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

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



204. 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**

205. 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.

206. 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 Ringstead, 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.

207. Due to the rapid increase in house prices between 2020 and 2021, the median and lower quartile house prices used in this report were established by taking the median and the lower quartile from the 2020 and 2021 transactions combined. This gave a larger sample size for the averages to be derived from any gives a more reasonable of local house prices.

208. The calculation for the purchase threshold for market housing is as follows:

- Value of a median NA house price (2020/2021) = £522,000;
- Purchase deposit at 10% of value = £52,200;
- Value of dwelling for mortgage purposes = £469,800;
- Divided by loan to income ratio of 3.5 = purchase threshold of £134,229.

209. 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 2020/2021 was £321,750, and the purchase threshold is therefore £82,736.

210. 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. Due to a lack of recent new build transactions in the NA, this was calculated by determining the uplift in house prices across King's Lynn & West Norfolk in 2021 between overall house prices and new build house prices. This uplift of 6.4% was then applied to the 2020/2021 lower quartile house price for

Ringstead, giving an estimated NA entry-level new build house price of £342,342 and a purchase threshold of £88,031.

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

211. 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.
212. 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.
213. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within a wider area which includes surrounding rural areas and the larger settlement of Hunstanton. Without including Hunstanton there were only two rental properties in a wide area. Of the properties for rent at the time of the search, the majority were in Hunstanton, with one in Heacham and one in Brancaster. These figures can be used as a reasonable proxy for the NA.
214. According to Rightmove.co.uk there were 9 properties for rent at the time of search in April 2022, with an average monthly rent of £736. There were 4 one-bed properties listed, with an average price of £569 per calendar month.
215. The calculation for the private rent income threshold for entry-level (1 bedroom) dwellings is as follows:
- Annual rent = £569 x 12 = £6,825;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £22,750.
216. The calculation is repeated for the overall average to give an income threshold of £29,444.

## **A.3 Affordable Housing**

217. 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

218. 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.
219. 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 Ringstead. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for King's Lynn & West Norfolk in the table below.
220. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£75.98	£83.27	£90.67	£102.33	<b>£84.59</b>
Annual average	£3,951	£4,330	£4,715	£5,321	<b>£4,399</b>
Income needed	£13,157	£14,419	£15,700	£17,719	<b>£14,648</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

221. 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).
222. 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%.
223. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for King's Lynn & West Norfolk. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
224. Comparing this result with the average 1-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 62.9% 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	£82.50	£100.53	£111.35	£131.75	<b>£103.38</b>
Annual average	£4,290	£5,228	£5,790	£6,851	<b>£5,376</b>
Income needed	£14,286	£17,408	£19,281	£22,814	<b>£17,901</b>

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

225. 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.

226. 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

227. 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.

228. The starting point for these calculations is therefore the estimated cost of new build housing in Ringstead. Due to a lack of recent new build transactions in the NA, this was calculated by determining the uplift in house prices across King’s Lynn & West Norfolk. This was then applied to the 2020/2021 lower quartile house price for Ringstead, giving an estimated NA entry level new build house price of £342,342.

229. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (NA estimated entry level new build 2020/2021) = £342,342;
- Discounted by 30% = £239,639;
- Purchase deposit at 10% of value = £23,964;

- Value of dwelling for mortgage purposes = £215,675;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £61,622.
230. 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 £52,818 and £44,015 respectively.
231. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The discounted prices are also all below the cap of £250,000, above which they would fail to meet the criteria.
232. 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 Ringstead.

### **Shared ownership**

233. 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'.
234. 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.
235. 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).
236. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £342,342 is £85,586;
  - A 10% deposit of £8,559 is deducted, leaving a mortgage value of £77,027;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £22,008;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £256,757;
- The estimated annual rent at 2.5% of the unsold value is £6,419;
- This requires an income of £21,396 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £43,404 (£22,008 plus £21,396).

237. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £34,479 and £58,280 respectively.

238. All of the income thresholds are below the £80,000 for eligible households.

### **Rent to Buy**

239. 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)**

240. 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.

241. 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>20</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>21</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.

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<sup>20</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>21</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

## **Community Led Housing/Community Land Trusts**

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The 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>22</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>23</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.

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<sup>22</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>23</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)

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

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

## **Fair Share**

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

## **First Homes**

The Government 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>24</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 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

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<sup>24</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

### **Retirement Living or Sheltered Housing**

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

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>25</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 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

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<sup>25</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>26</sup>

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<sup>26</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

