

Marshland St James

Housing Needs Assessment (HNA)

March 2022

Quality information

Prepared by	Checked by	Approved by
Olivia Carr Graduate Housing Consultant	Paul Avery Principal Housing Consultant	Paul Avery Principal Housing Consultant

Revision History

Revision	Revision date	Details	Authorized	Name	Position
1	February 2022	First Draft	OC	Olivia Carr	Graduate Housing Consultant
2	March 2022	Internal Review	PA	Paul Avery	Principal Housing Consultant
3	March 2022	Group Review	NW	Neil Watson	Clerk to Parish Council
4	March 2022	Locality Review	AO	Annabel Osborne	Neighbourhood Planning Officer
5	March 2022	Final Report	OC	Olivia Carr	Graduate Housing Consultant

Prepared for: Marshland St James Neighbourhood Plan Steering Group

Prepared by:

AECOM Infrastructure & Environment UK Limited
Aldgate Tower
2 Lemn Street
London E1 8FA
United Kingdom
aecom.com

© 2022AECOM Infrastructure & Environment UK Limited. All Rights Reserved.

This document has been prepared by AECOM Infrastructure & Environment UK Limited (“AECOM”) for sole use of our client (the “Client”) in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

1.	Executive Summary.....	7
2.	Context.....	12
	Local context.....	12
	The Housing Market Area Context.....	14
	Planning policy context.....	14
	Policies in the adopted local plan.....	15
	Policies in the emerging local plan.....	17
	Quantity of housing to provide.....	20
3.	Approach.....	21
	Research Questions.....	21
	Tenure and Affordability.....	21
	Type and Size.....	21
	Relevant Data.....	22
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing.....	23
	Introduction.....	23
	Current tenure profile.....	24
	Affordability.....	25
	House prices.....	25
	Income.....	27
	Affordability Thresholds.....	27
	Affordable housing- quantity needed.....	33
	Additional LHNA findings.....	34
	Affordable Housing policy guidance.....	34
	Conclusions- Tenure and Affordability.....	39
5.	RQ 2: Type and Size.....	43
	Introduction.....	43
	Existing types and sizes.....	43
	Background and definitions.....	43
	Dwelling type.....	44
	Dwelling size.....	45
	Age and household composition.....	46
	Age structure.....	46
	Household composition.....	48
	Occupancy ratings.....	49
	Dwelling mix determined by life-stage modelling.....	49
	Suggested future dwelling size mix.....	49
	The LHNA findings.....	53
	Conclusions- Type and Size.....	54
6.	Conclusions.....	57
	Overview.....	57
	Recommendations for next steps.....	60
	Appendix A : Calculation of Affordability Thresholds.....	62
A.1	Assessment geography.....	62
A.2	Market housing.....	63
i)	Market sales.....	63

ii)	Private Rented Sector (PRS).....	64
A.3	Affordable Housing	65
i)	Social rent.....	65
ii)	Affordable rent.....	66
iii)	Affordable home ownership	67
	Appendix B : Housing Needs Assessment Glossary	70

Figures

Figure 2-1	Map of the Marshland St James Neighbourhood Area
Figure 4-1	House prices by quartile in Marshland St James, 2011-2020
Figure 4-2	Affordability thresholds in Marshland St James, income required
Figure 5-1	Age structure in Marshland St James, 2011
Figure 5-2	Age of household reference person by dwelling size in King's Lynn & West Norfolk, 2011
Figure A-1	MSOA E02005563 used as a best-fit geographical proxy for the Neighbourhood Area
Figure A-2	Map of NA proxy area for private rental prices

Tables

Table 2-1	Summary of relevant adopted policies in the King's Lynn & West Norfolk Borough Council Local Development Framework Core Strategy
Table 2-2	Summary of relevant emerging policies in the Summary of relevant emerging policies in the King's Lynn & West Norfolk emerging Local Plan Review (Pre-Submission Stage 2021
Table 4-1	Tenure (households) in Marshland St James, 2011
Table 4-2	Median house prices by type in Marshland St James, 2011-2020
Table 4-3	Affordability thresholds in Marshland St James
Table 4-4	Discount on sale price required for households to afford First Homes
Table 4-5	Indicative tenure split (Affordable Housing)
Table 4-6	Estimated delivery of Affordable Housing in Marshland St James
Table 5-1	Accommodation type, Marshland St James, 2011 and 2021

Table 5-2	Accommodation type, various geographies, 2021
Table 5-3	Dwelling size (bedrooms), Marshland St James, 2011 and 2021
Table 5-4	Dwelling size (bedrooms), various geographies, 2021
Table 5-5	Age structure of Marshland St James population, 2011 and 2020
Table 5-6	Household composition, Marshland St James, 2011
Table 5-7	Occupancy rating by age in Marshland St James, 2011
Table 5-8	Projected distribution of households by age of HRP, Marshland St James
Table 5-9	Suggested dwelling size mix to 2036, Marshland St James
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)
Table 6-1	Summary of study findings specific to Marshland St James with a potential impact on Neighbourhood Plan housing policies
Table A-1	Social rent levels
Table A-2	Affordable rent levels

List of acronyms used in the text:

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

1. Executive Summary

1. The Office for National Statistics (ONS) mid-2020 population estimate for Marshland St James is 1,308, showing a slight increase of 99 individuals since the 2011 Census.
2. There has been some development in Marshland St James since 2011, with King's Lynn & West Norfolk Borough Council providing completions data between 2011 and 2021 showing a net increase of 66 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 583. It is estimated that there are 44 dwellings in the pipeline for development in the near future.

Conclusions- Tenure and Affordability

Current dwelling stock

3. The tenure profile of Marshland St James in 2011 shows that that the vast majority of dwellings in Marshland St James were owned at 84.8%, significantly higher than the levels for the King's Lynn and West Norfolk and England. Due to the dominance of households owning their homes in the NA, the private rented sector is smaller than the wider Borough and country. In terms of Affordable Housing, there are a significantly fewer households living in social rented dwellings in the NA at just 5.6% compared to 17.7% nationally. An interesting trend to note between 2001 and 2011 was the reduction in the private rented sector in this time period by 15.4% whilst the Borough's levels grew by 96.2% and national levels grew by 83.4%.
4. House prices in Marshland St James increased significantly between 2015 and 2020, with the median house prices increasing from £150,000 in 2015 to £325,000 in 2020. Whilst the lower quartile house prices follow the same overall trend as the median, there is greater fluctuation in values, notably with a drop in the lower quartile house price in 2018. Overall, the lower quartile house price rose from £141,750 in 2011 to £265,000 in 2020. The percentage increase for the median and lower quartile house prices between 2011 and 2020 were similar at 87.3% and 86.9% respectively. Looking at house prices in relation to the type of housing, around $\frac{3}{4}$ of all transactions between 2011 and 2020 were for detached dwellings, with these experiencing a price growth of 87.3%. In this time, very few transactions were for flats and terraces, indicative of a lack of available housing of this type, likely the type of housing which would be the most affordable. Overall, there were some fluctuations in house prices over the time period, likely due to a relatively small sample size of transactions for Marshland St James, particularly when broken down into types of dwelling. The size and condition of properties would also be a key factor impacting the price of dwellings.

Affordability

5. Local households on average incomes are unable to buy even entry-level homes unless they have the advantage of a very large deposit. Market housing for purchase, even with the benefit of a higher than average income, is likely to remain out of reach to most. Private renting is generally only affordable to average earners. Households made up of

two lower quartile earners can marginally afford the given rental thresholds for entry-level properties (1 and 2 bedroom).

6. Looking at affordable home ownership, there is a relatively large group of households in Marshland St James who may be able to afford to rent privately but cannot afford home ownership that may benefit from the range of affordable home ownership products. This report has estimated the income required to afford First Homes and a 50% discount would be required to make First Homes marginally affordable to those on mean incomes. None of the First Homes discounts make the product affordable to households on lower quartile incomes. The product would however still benefit those within the 'can rent, can't buy' cohort as the income required at a 50% discount is just over £26,000 lower than the income required to purchase an entry-level home on the open market.
7. Turning to shared ownership, this product appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Shared ownership at 25% equity, like First Homes at a 50% discount, is marginally affordable to households with mean incomes. If shared ownership at 10% equity is delivered it will make shared ownership easier to access for more people, but still limit accessibility to households with mean incomes. 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, except for shared ownership at 10% equity.
8. Affordable rented housing is generally affordable to households with two lower earners but households with a single lower earner have greater issues with affordability. Households with one lower quartile income can potentially marginally afford the smallest socially rented units.

Affordable housing need

9. It is estimated that there is an Affordable Housing need of 1.7 dwellings per annum or 23.8 dwellings over the Neighbourhood Plan period 2022-2036 in Marshland St James. 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 16.2 units of affordable rented housing and 7.6 units for affordable home ownership over the plan period.
10. An indicative mix of Affordable Housing is suggested for Marshland St James, chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified in the NA. When it is likely that Affordable Housing needs will not be met, affordable rented tenures should be prioritised, as they are in this indicative mix, with it suggested that 70% of Affordable Housing delivered is for social/affordable rent. The remaining 30% of Affordable Housing is suggested to be for affordable home ownership models, with the following split:
 - 25% First Homes
 - 5% Shared Ownership
11. It is suggested that the proportion of First Homes remains in line with the national requirement of 25% and delivered in Marshland St James at a 50% discount. It is

suggested that 5% shared ownership is included to provide variety in the affordable home ownership products delivered. If delivered at the new 10% equity share, this is a more affordable option.

12. 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 King’s Lynn & West Norfolk Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
13. Table 4-6 summarises Marshland St James’ position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
14. The expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. It is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites or community land trusts) to be explored. If the group considered 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.

Conclusions- Type and Size

15. 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

16. In 2011, Marshland St James was dominated by detached dwellings at 68.1% of the housing stock, with very few flats or terraced dwellings at 1.5% and 2.3% respectively.

This indicates that the NA is dominated by larger, more expensive properties. Looking at the dwelling type split in 2021, the large decline in the detached dwellings category is likely due to the inclusion of bungalows in the VOA data whilst the Census counts bungalows within the other dwelling type categories, with this dwelling type accounting for 35.6% of dwellings in Marshland St James. Comparing the dwelling mix in Marshland St James in 2021 to the wider Borough and country, it shows that the proportion of bungalows in Marshland St James is significantly higher than nationally at 35.6% and 9.4% respectively, highlighting the provision for the aging population. The proportion of detached dwellings is also greater than both the Borough and the country. The lack of flats and terraced properties mentioned above is emphasised, with the national proportions over 20% higher in both categories.

17. Turning to the size of dwellings in Marshland St James, the most common category in both 2011 and 2021 was 3-bedroom dwellings. This is followed by 2-bedroom dwellings, with an increase between 2011 and 2021 from 24.1% to 26.9%. There was a decrease in both the smallest and largest dwellings. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider Borough and the country. Dwellings with 3-bedrooms are dominant in all three areas, with the proportion in the NA slightly higher than both King's Lynn & West Norfolk and England. The proportion of smaller dwellings is below the proportions across the Borough and country, most significantly seen with the 1-bedroom dwellings. On the other hand, the proportion of larger 4+ bedroom dwellings is greater in the NA than the other areas.

Demographics

18. Between 2011 and 2020, the population of Marshland St James increased by 99 people. In 2011 the population was most heavily concentrated in the 45-64 age category at 33.7%, followed by the 25-44 age category. It is estimated that by 2020 this had shifted slightly, with those aged 45-64 still most common, although at a slightly lower proportion of the population, followed by those aged 65-84, with this category increasing by 5.1%. This suggests that over the last decade the population has become skewed towards the older population, with younger people potentially leaving the area as well as the natural aging of the population. In 2011, a smaller percentage of the population in Marshland St James were aged 0-44 than across England. The NA had a significantly higher proportion of the population aged 45-65 in 2011 than both King's Lynn & West Norfolk and England, suggesting, along with the similar levels of the population aged 0-15 to the Borough, a high proportion of families. The NA population has an older bias than the country, but a smaller proportion of the population aged 65-84 than the Borough at that time. Population growth across the plan period can be expected to be driven by the oldest households (65+), which are expected to increase by 44%, and the only other increase seen in those with a household reference person aged 55 to 64.
19. When looking at household composition, a significantly smaller proportion of the population in Marshland St James were single person households than the Borough and England, perhaps suggesting a lack of suitable properties (either in size or affordability) for single persons. This means that there is a higher proportion of family

households, the majority of which had no children. In terms of families where all persons were aged 65 and over, there is a smaller proportion in the NA at 10.6% than the Borough at 13.0%, but a greater proportion than England at just 8.1%.

20. In Marshland St James, 84.2% of households under-occupy their homes. Under-occupancy is most common in families aged 65 and over, where 100% of the population live in a home with at least one surplus bedroom, closely followed by families under 65 with no children. The dominance of under-occupancy in these household types suggests that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen to or been able to move to smaller properties. Over-occupancy is most common in families under 65 with dependent children. Overall, just 12.8% of households live in a household considered to be the right size (in terms of bedrooms) for them. This suggests that the size mix of dwellings is not necessarily in tune with the population in the NA.

Future dwelling mix

21. The AECOM model suggests that in 2036 the indicative mix of housing should remain dominated by 3-bedroom dwellings, although at slightly lower levels than in 2011. It is suggested that there be an increase in smaller 1 and 2-bedroom dwellings and little further growth in larger 4+ bedroom dwellings in order to rebalance the size mix of the NA. In order to reach the indicative mix it is suggested that development that comes forward through the plan period is focussed on 1, 2, and 3-bedroom dwellings, primarily the smallest units.
22. It is never advisable to restrict future housing delivery to selected size categories only and it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. As such, it is recommended that priority is given to smaller and mid-sized 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 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.

2. Context

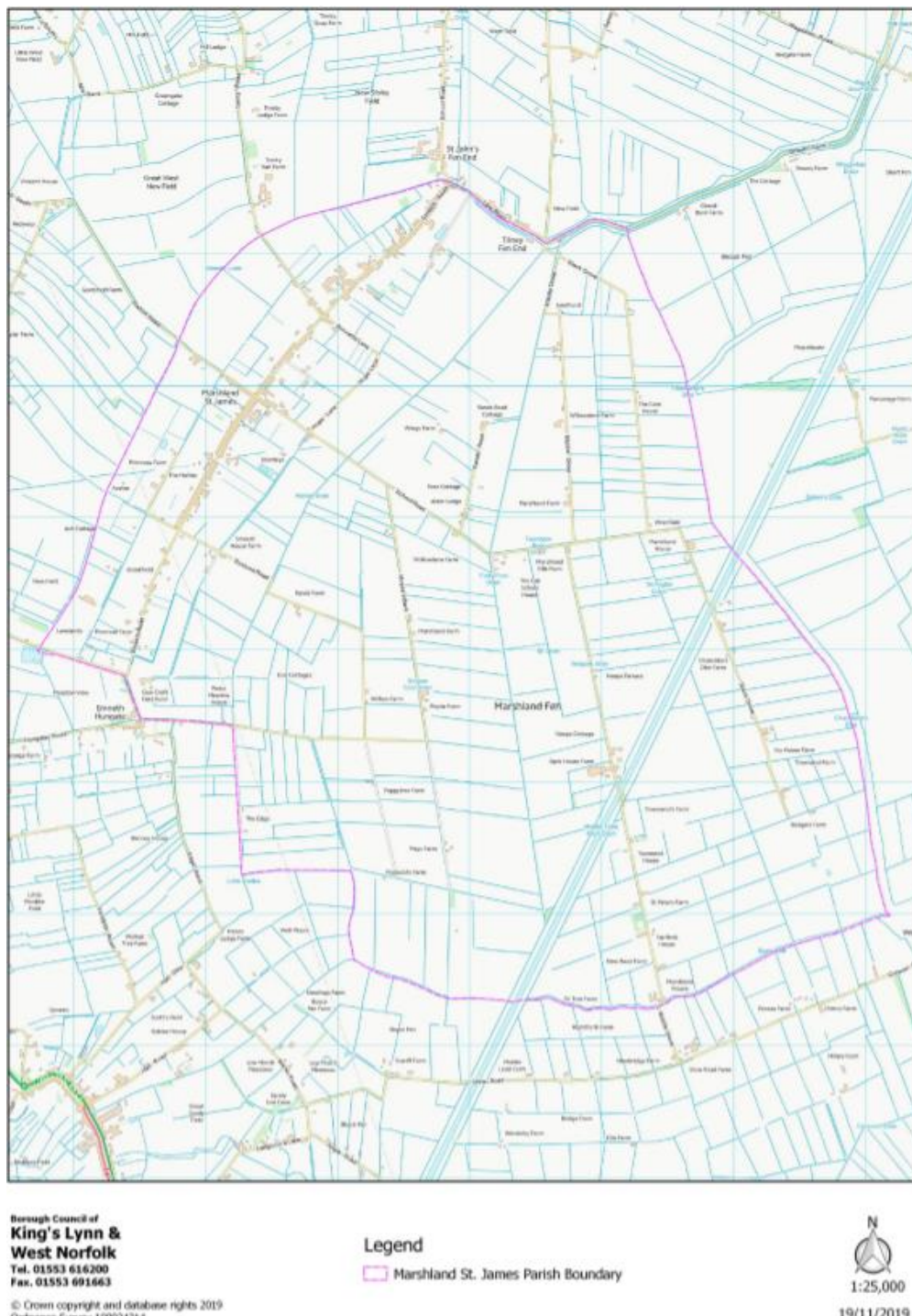
Local context

23. Marshland St James is a Neighbourhood Area located in King's Lynn & West Norfolk, East of England. The Neighbourhood Area (NA) boundary aligns with the parish boundary and was designated in January 2020.
24. 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.
25. Marshland St James is located in King's Lynn & West Norfolk, with the A47 north-west of the parish boundary and the A1101 to the south-west. Minor roads connect Marshland St James to these A-roads which provide access to the towns of Wisbech, King's Lynn, and Downham Market. The NA is approximately 8 miles north-west of Downham Market, c.11 miles south-west of King's Lynn, and 7 miles east of Wisbech (located in the neighbouring county of Cambridgeshire). The Middle Level Drain, from the Great Ouse River, runs through the south of the NA. In terms of transport links, the closest train stations to Marshland St James are Watlington and Downham Market, both approximately 8 miles from the NA. There are some amenities in the parish including a primary and nursery school and a village hall.
26. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs), and larger Lower Super Output Areas (LSOAs). The Plan area equates to the following LSOA, which has 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:
 - LSOA E01026684
27. The statistics show that in the 2011 Census the NA had a total of 1,209 residents, formed into 461 households and occupying 517 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Marshland St James is 1,308 – indicating population growth of around 99 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.
28. Since the 2011 Census, according to completions data provided by King's Lynn & West Norfolk Borough Council, there has been a net increase of 66 dwellings between 2011 and 2021. These have been through new builds, conversions, and changes of use to residential dwellings. This increase in dwellings broadly aligns with the population change mentioned above. Current commitments data provided by King's Lynn & West Norfolk Borough Council indicates a potential further net increase in dwellings of 44 in

the NA in the near future. According to the Steering Group, the two allocated sites carried over from the adopted to emerging Local Plan have recently started on site.

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

Figure 2-1: Map of the Marshland St James Neighbourhood Area¹



Source: King's Lynn & West Norfolk Borough Council

¹ Available at https://www.west-norfolk.gov.uk/downloads/file/5979/designation_of_a_neighbourhood_area_-_marshland_st_james

The Housing Market Area Context

30. Whilst this HNA focuses on Marshland St James 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 Marshland St James, the parish sits within a self-contained housing market area which only covers the local authority area of King's Lynn & West Norfolk². 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 a relatively high level of self-containment with regard to migration and commuter flows. The housing market area does however have links to other neighbouring areas, including Breckland (Norfolk) and Fenland (Cambridgeshire).
31. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Marshland St James, are closely linked to other areas. In the case of Marshland St James, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. Marshland St James is located approximately 7 miles east of Wisbech, one of the major settlements in the neighbouring district of Fenland, Cambridgeshire. Wisbech is a key area for growth in Fenland, which may have impacts on housing need and demand in the NA. The adopted Fenland Local Plan³ identifies East Wisbech as a strategic allocation, with plans for residential development to be agreed between King's Lynn & West Norfolk Borough Council and Fenland District Council. It outlines the potential for 900 dwellings in Fenland and 550 dwellings in King's Lynn & West Norfolk, with the potential for the latter to influence housing demand and need in Marshland St James, in either a positive or negative way.
32. In summary, Marshland St James functions within a wider strategic area. As well as fostering good working relationships with the local planning authority, King's Lynn & West Norfolk Borough Council, it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

33. Neighbourhood Plans are required to be in general conformity with adopted strategic

² King's Lynn & West Norfolk Housing Needs Assessment available at: https://www.west-norfolk.gov.uk/downloads/file/6252/2020_housing_needs_assessment

³ Available here: https://www.fenland.gov.uk/media/12064/Fenland-Local-Plan-Adopted-2014/pdf/Fenland_Local_Plan-Adopted_2014.pdf?m=637267078575000000

local policies.⁴

34. The adopted Local Plan for King’s Lynn & West Norfolk consists of the King’s Lynn & West Norfolk Borough Council Local Development Framework Core Strategy (adopted July 2011)⁵ and the Site Allocations and Development Management Policies Plan (adopted September 2016)⁶. The Core Strategy guides development to 2026, with the Site Allocations and Development Management Policies Plan complementing the former in setting out land allocations. In the Core Strategy, Marshland St James is jointly designated as a Rural Village with St John’s Fen End and Tilney Fen End. The distribution of development suggests 12 additional dwellings are sought here, as outlined in the Site Allocations and Development Management Policies Plan. This also explains that the Council considers the chosen sites outlined below suitable for 25 dwellings, including 5 affordable dwellings, in order to maximise the development potential on the sites.
35. The emerging Local Plan⁷ 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. Marshland St James is reclassified in the Settlement Hierarchy as a Key Service Centre jointly with St John’s Fen End and Tilney Fen End. The emerging Local Plan carries forward the 2 residential housing allocations for at least 25 dwellings made in the Site Allocations and Development Management Policies Plan (2016).

Policies in the adopted local plan

36. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Marshland St James.

Table 2-1: Summary of relevant adopted policies in the King’s Lynn & West Norfolk Borough Council 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 and at least 2,880 new homes within or adjacent to selected Key Rural Service Centres.</p>

⁴ 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>

⁵ Available at: https://www.west-norfolk.gov.uk/downloads/download/68/core_strategy_document

⁶ Available at: https://www.west-norfolk.gov.uk/info/20220/site_allocations_and_development_management_policies_plan/514/adopted_plan

⁷ 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>

Policy	Provisions
CS02: The Settlement Hierarchy	<p>The settlement hierarchy for King’s Lynn & West Norfolk is as follows:</p> <ul style="list-style-type: none"> • Sub-Regional Centre (King’s Lynn including West Lynn and Gaywood) • Main Towns (Hunstanton and Downham Market) • Settlements adjacent to King’s Lynn and the Main Towns • Key Rural Service Centres • Rural Villages (including Marshland St James) • Smaller Villages and Hamlets <p>Limited minor development will be permitted which meets the needs of settlements and helps to sustain existing services in accordance with Policy CS06 Development in Rural Areas.</p>
CS06: Development in Rural Areas	<p>Provision will be made for a total of at least 2,880 new homes within or adjacent to selected Key Rural Service Centres.</p> <p>In the Rural Villages, Smaller Villages, and Hamlets, more 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. Provision will be made for at least 1,280 new dwellings in total (with allocations for at least 215 new homes) in the Rural Villages. New housing allocations will be restricted solely to the provision of small scale infilling or affordable housing allocations or potential exceptions housing to meet the identified needs of the local community and will be identified through the Site Allocations DPD.</p> <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>The percentage which will be sought for affordable housing provision on qualifying sites outside of the built up area of King’s Lynn is 20%. In rural areas, the affordable housing threshold is 5 dwellings or sites of 0.165 ha or more.</p> <p>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’ is to also include other forms of intermediate tenure, including intermediate rented.</p>

Policy	Provisions
DMP (2016) - DM8: Delivering Affordable Housing on Phased Development	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, would result in a requirement for a proportion of affordable housing.
DMP (2016) – Policy G57.1 Marshland Saint James – Land adjacent to Marshland Saint James Primary School	Land adjacent to Marshland Saint James Primary School amounting to 0.8 hectares, as identified on the Policies Map, is allocated for residential development of at least 15 dwellings. Further information is outlined in the Policy.
DMP (2016) – Policy G57.2 Marshland Saint James – Land adjacent to 145 Smeeth Road, Marshland Saint James	Land adjacent to 145 Smeeth Road, Marshland Saint James amounting to 0.75 hectares, as identified on the Policies Map, is allocated for residential development of at least 10 dwellings. Further information is outlined in the Policy.

Source: King’s Lynn & West Norfolk Borough Council

Policies in the emerging local plan

37. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Marshland St James.

Table 2-2: Summary of relevant emerging policies in the King’s Lynn & West Norfolk emerging Local Plan Review (Pre-Submission Stage 2021)

Policy	Provisions
LP01: Spatial Strategy	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. 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. 740 homes are allocated for Key Rural Service Centres, 12% of the homes allocation.

Policy	Provisions
LP02: Settlement Hierarchy	<p>The settlement hierarchy for King's Lynn & West Norfolk is as follows:</p> <ul style="list-style-type: none">• Sub-Regional Centre (King's Lynn, including West Lynn)• Main Towns (Hunstanton and Downham Market)• Settlements adjacent to King's Lynn and the Main Towns• Growth Key Rural Service Centres• Key Rural Service Centres (Marshland St James – jointly with St John's Fen End and Tilney Fen End)• Rural Villages• Smaller Villages and Hamlets <p>Key Rural Service Centres are identified as helping to sustain the wider rural economy, providing a range of services that can meet basic day-to-day needs and a level of public transport that can enable access to and from the settlement.</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> <p>On new developments affordable housing should be fully integrated with general market housing to achieve a mixed and balanced community.</p> <p>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).</p> <p>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.</p> <p>Affordable housing should be delivered on site.</p> <p>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.</p> <p>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.</p>

Policy	Provisions
LP30: Adaptable and Accessible Homes	<p>All new homes must be designed and constructed in a way that enables them to be adaptable, so they can meet the changing needs of their occupants over their lifetime. Planning permission will be granted for new dwellings subject to the following:</p> <ul style="list-style-type: none">• 50% of new homes must be built to meet requirement M4(2) of Part M of the Building Regulations: Category 2 for accessible and adaptable dwellings• The encouragement, where practicable and viable, of dwellings on schemes involving major development being provided as wheelchair adaptable dwellings in accordance with the Building Regulations M4(3) standard: Category 3.• The Borough Council will require a minimum of 5% of the affordable housing contribution (new dwellings) on major housing developments to accord with Category M4(3) (wheelchair adaptability).
LP31: Residential Development Reasonably Related to Existing Settlements	<p>For the purpose of this policy small scale refers to development of between 1 to 5 dwellings.</p> <ol style="list-style-type: none">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:<ol style="list-style-type: none">a. the sensitive infilling of small gaps either wholly or in part, or rounding off the existing development boundary; andb. the development is appropriate to the scale and character of the settlement and its surroundings; andc. it will not fill a gap which provides a positive contribution to the street scene or views in/out of the locality; andd. recognition that the development must conserve or enhance the natural environment and conserve and where appropriate enhance any heritage assets in the locality; ande. sitting sympathetically within the wider landscape, preserves or enhances the setting of the nearest settlement; andf. 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

Policy

Provisions

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.

Source: King's Lynn & West Norfolk Borough Council

Quantity of housing to provide

38. 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.
39. King's Lynn & West Norfolk has fulfilled that requirement by providing Marshland St James with figure of 25 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.⁸ This figure has been carried over from the adopted to the emerging Local Plan. According to the Steering Group, the two allocated sites have started being developed.

⁸ As confirmed in a Teams meeting with Steering Group, January 2022

3. Approach

Research Questions

40. The following research questions were formulated at the outset of the research through discussion with the Marshland St James Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

41. 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.
42. This evidence will allow Marshland St James 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.
43. 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

44. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The Steering Group identify that there is a lack of affordable housing generally in the NA, with development recently focussing on larger executive homes. They are therefore looking to support development suitable for younger people to afford.
45. 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.
46. 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.
47. 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?

Relevant Data

48. 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, March 2020⁹
49. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

⁹ Available at: https://www.west-norfolk.gov.uk/downloads/file/6252/2020_housing_needs_assessment

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

50. 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.
51. 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.
52. 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.¹⁰
53. 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;

¹⁰ 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

54. 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.
55. Table 4-1 below presents data on tenure in Marshland St James 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 vast majority of dwellings in Marshland St James were owned at 84.8%, significantly higher than the levels for the Borough and England, at 69.4% and 63.3% respectively. Due to the dominance of households owning their homes in the NA, the private rented sector is smaller than the Borough and England at just 7.2%. This means that at any one time there are few rental listings, limiting choice for people and increasing competition when properties become available. In terms of Affordable Housing, there are significantly fewer households living in social rented dwellings in the NA at just 5.6% compared to 17.7% nationally. This is similarly seen with affordable home ownership, with the rate of households living in shared ownership half of Borough levels and a quarter of those nationally.
56. 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. It is also worth noting that the completions data provided by King's Lynn & West Norfolk Borough Council did not break down the data into affordable and market so the current proportion of Affordable Housing in the NA is also unknown. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Marshland St James the social rented

sector reduced by 36.6%, significantly more than national reductions of 0.9%. The private rented sector also reduced in this time period by 15.4% whilst the Borough's levels grew by 96.2% and national levels grew by 83.4%. This shows that the lack of social and private rented housing in the NA, demonstrated in Table 4-1, worsened between 2001 and 2011.

Table 4-1: Tenure (households) in Marshland St James, 2011

Tenure	Marshland St James	King's Lynn and West Norfolk	England
Owned; total	84.8%	69.4%	63.3%
Shared ownership	0.2%	0.4%	0.8%
Social rented; total	5.6%	13.3%	17.7%
Private rented; total	7.2%	14.7%	16.8%

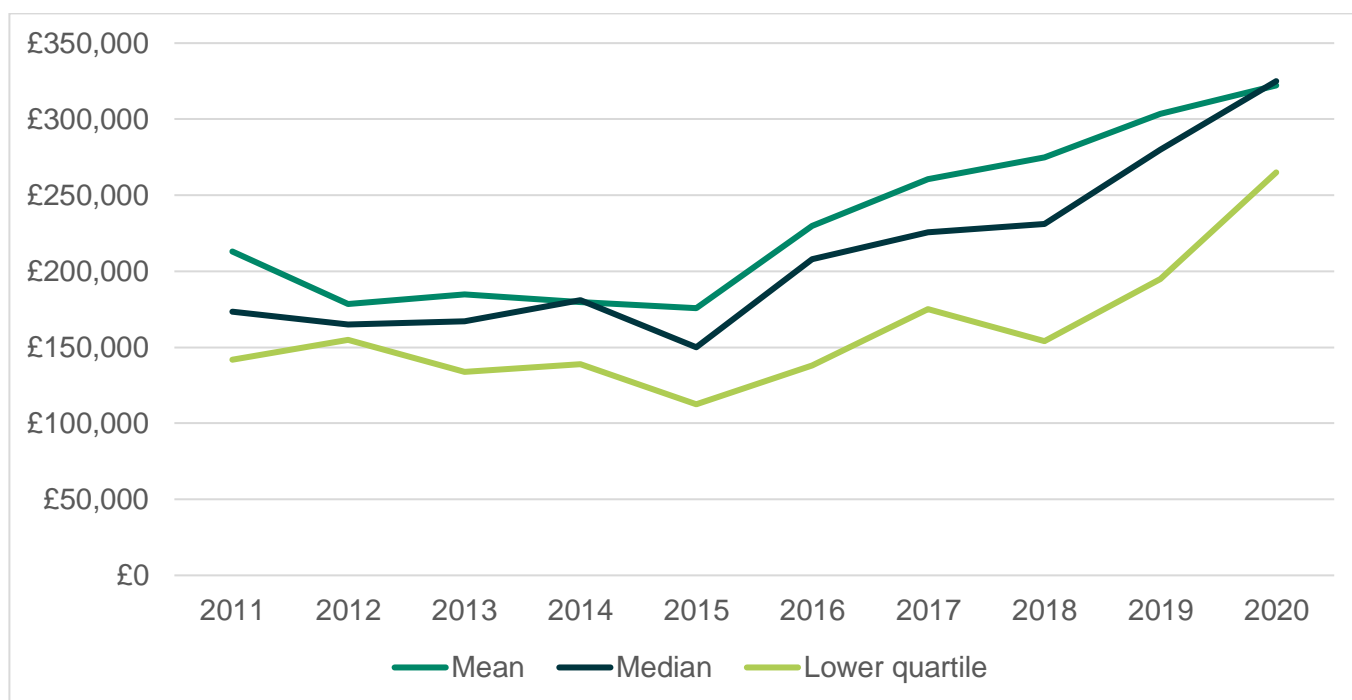
Sources: Census 2011, AECOM Calculations

Affordability

House prices

57. 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.
58. Figure 4-1 below looks at selected measures of house prices in Marshland St James. It shows that house prices in the NA were relatively stable between 2012 and 2015, with a slight decrease in 2015. House prices then increased significantly between 2015 and 2020, especially in relation to the mean and the median house prices, with the median increasing from £150,000 in 2015 to £325,000 in 2020. Generally, the mean house price remains above the median due to the mean capturing the average of all house prices, both high and low, meaning the few outlying data points on the high end to cause an increase. The median on the other hand is the middle number when all of the values are sorted from smallest to largest. Whilst the lower quartile house price follows the same overall trend as the median, there is greater fluctuation in values, notably with a drop in lower quartile house price in 2018. Overall, the lower quartile house price rose from £141,750 in 2011 to £265,000 in 2020. The percentage increase for the median and lower quartile were similar at 87.3% and 86.9% respectively.

Figure 4-1: House prices by quartile in Marshland St James, 2011-2020



Source: Land Registry PPD

59. Table 4-2 below breaks down house prices by type, presenting the median within each type. There are some clear gaps in terms of transaction data for flats and terraces properties in particular. This is due to a lack of transactions for these types of dwelling between 2011 and 2020 in Marshland St James, indicative of a lack of available housing of these types. The vast majority of transactions in this time period were for detached dwellings, with these experiencing price growths of 87.3%. The detached prices grew relatively steadily, with a clear decline in 2015 and the peak being in 2019 at £340,000. Semi-detached dwellings did not follow the same pattern as whilst increasing steadily between 2013 and 2016, there was a more significant increase in 2017, followed by a decline. Overall, median house prices peaked in 2020 and were at their lowest in 2015. Some of the fluctuations are likely due to the small sample size for Marshland St James, with the size and condition of properties key factors which will impact on prices.

Table 4-2: Median house prices by type in Marshland St James, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£173,500	£182,500	£215,000	£227,500	£172,000	£267,250	£245,000	£285,000	£340,000	£325,000	87.3%
Semi-detached	-	£155,000	£114,995	£113,500	£130,000	£138,000	£175,000	£144,000	£195,000	-	-
Terraced	-	-	£94,995	£102,000	-	£112,500	-	-	-	-	-
Flats	-	-	-	£64,000	£75,000	£70,000	-	£68,700	-	-	-
All Types	£173,500	£165,000	£167,000	£181,000	£150,000	£208,000	£225,500	£231,000	£280,000	£325,000	87.3%

Source: Land Registry PPD

Income

60. 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.
61. 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 £40,400 in 2018. A map of the area to which this data applies is provided in Appendix A.
62. 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.
63. 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

64. 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.
65. AECOM has determined thresholds for the income required in Marshland St James 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.
66. 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.
67. 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.

68. 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 Marshland St James (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £40,400	Affordable on LQ earnings (single earner)? £13,839	Affordable on LQ earnings (2 earners)? £27,678
Market Housing						
Median House Price	£292,500	-	£83,571	No	No	No
LA New Build Median House Price	£207,000	-	£59,143	No	No	No
LQ/Entry-level House Price	£238,500	-	£68,143	No	No	No
Average Market Rent	-	£10,872	£36,240	Yes	No	No
Entry-level Market Rent	-	£8,328	£27,760	Yes	No	Marginal
Affordable Home Ownership						
First Homes (-30%)	£204,750	-	£58,500	No	No	No
First Homes (-40%)	£175,500	-	£50,143	No	No	No
First Homes (-50%)	£146,250	-	£41,786	Marginal	No	No
Shared Ownership (50%)	£146,250	£4,063	£55,327	No	No	No
Shared Ownership (25%)	£73,125	£6,094	£41,205	Marginal	No	No
Shared Ownership (10%)	£29,250	£7,313	£32,732	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,376	£17,901	Yes	No	Yes
Social Rent	-	£4,399	£14,648	Yes	Marginal	Yes

Source: AECOM Calculations

69. 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. Where the income required to afford a tenure product in the NA is within £2,000 of local incomes, this has been labelled as marginally affordable in Table 4-3 to provide a less blunt measure as it is assumed that households would still be able to afford these products dependent on the type, size, or condition of the property.

Market housing for purchase and rent

70. 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 106.9% higher than the current average.

71. Private renting is generally only affordable to average earners on the rare occasion when there are options available, impacting further on affordability. Households made up of two lower quartile earners can marginally afford the given rental thresholds for entry-level properties (1 and 2 bedroom). 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

72. There is a relatively large group of households in Marshland St James who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,760 per year (at which point entry-level rents become affordable) and £68,143 (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.
73. First Homes are to be offered at a discount of at least 30% on equivalent market prices. 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.
74. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In Marshland St James, a 50% discount would be required to make First Homes marginally affordable to those on mean incomes. This is considered marginally affordable as the income required for First Homes at a 50% discount to be accessible is £1,386 higher than mean incomes in the local area. None of the First Homes discounts make the product affordable to households on lower quartile incomes. The product would however still benefit those within the 'can rent, can't buy' cohort as the income required at a 50% discount is just over £26,000 lower than the income required to purchase an entry-level home on the open market.
75. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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	52%	83%	67%
LA New Build Median House Price	32%	77%	53%
NA Entry-Level House Price	41%	80%	59%

Source: Land Registry PPD; ONS MSOA total household income

76. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Shared ownership at 25% equity, like First Homes at a 50% discount, is marginally affordable to households with mean incomes. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹¹ If this is delivered in the NA, it will make shared ownership easier to access for more people, but still limit accessibility to households with mean incomes. Whilst 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.
77. 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.
78. 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, except for shared ownership at 10% equity.
79. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings 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.

¹¹ 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>.

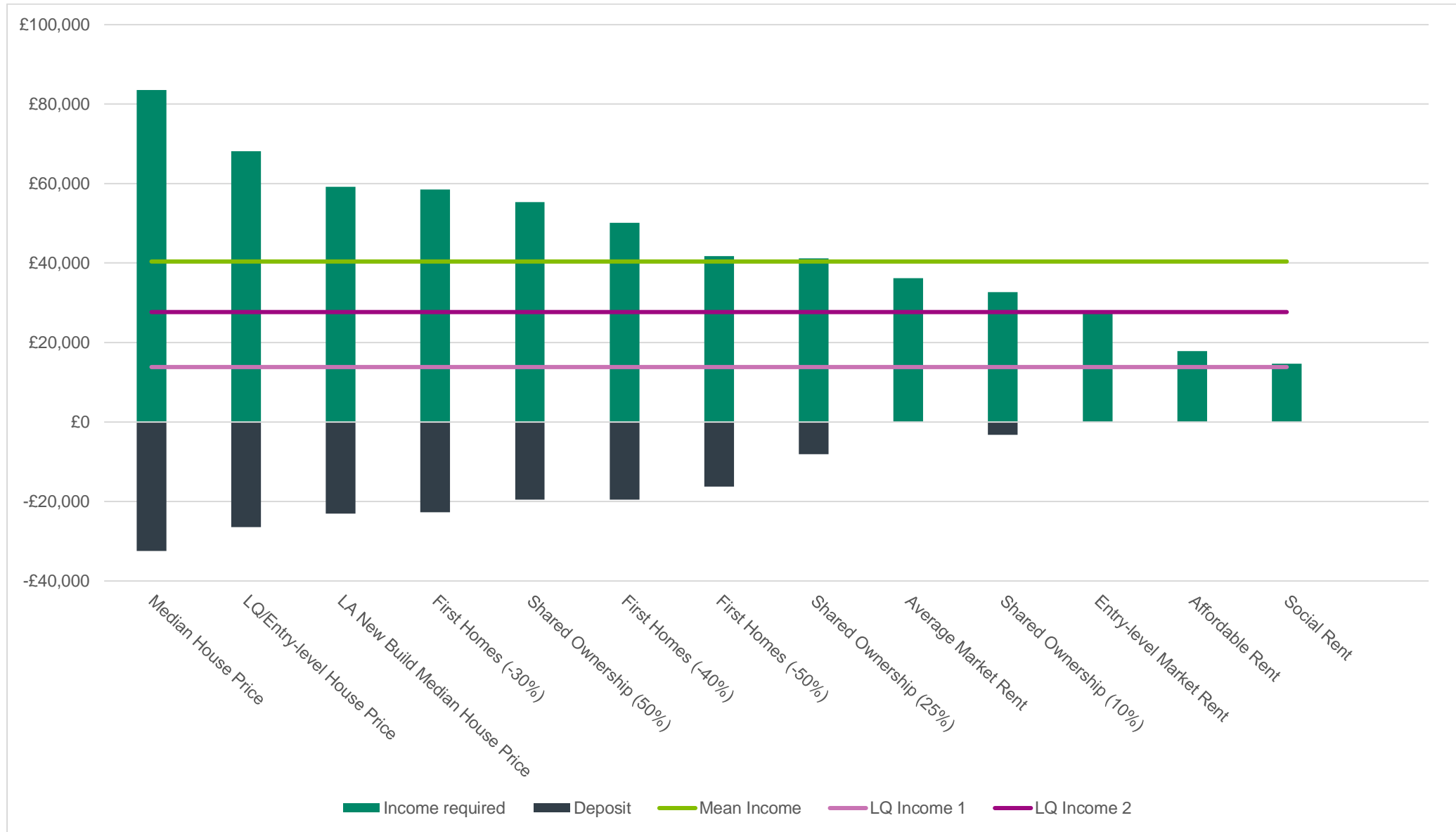
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

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

Affordable rented housing

81. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner have greater issues with affordability. Households with one lower quartile income can potentially marginally afford the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
82. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Marshland St James 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 Marshland St James, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

83. The starting point for understanding the need for affordable housing in Marshland St James is the relevant Local Housing Needs Assessment (LHNA) – the King’s Lynn & West Norfolk Housing Needs Assessment (2020). This study estimates the need for affordable housing in the District based on analysis of the Council’s waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 202 additional affordable dwellings each year in King’s Lynn & West Norfolk as a whole. Whilst the LHNA does not provide a recommended 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 ratio between social/affordable rent and affordable home ownership (in this case classified as shared ownership) can be extrapolated to a 68% to 32% split.

A caveat worth emphasising is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable. It is important to keep in mind that with the estimate for affordable home ownership, these households are, by and large, adequately housed in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing. This further indicates that the need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.

84. When the LHNA figures are pro-rated to Marshland St James based on its fair share of the population (0.86% of the LPA’s population, based on mid-2020 population estimates), this equates to 1.7 dwellings per annum or 23.8 dwellings over the Neighbourhood Plan period 2022-2036. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Marshland St James, 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 Marshland St James.

85. There is almost certainly a backlog of households in need currently in the NA on the King's Lynn & West Norfolk Borough Council Housing Register waiting list. It is assumed that this need may justify the delivery of at least some affordable rented housing towards the beginning of the plan period to contribute towards meeting this existing need.
86. 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).
87. It is also important to remember that even after the Neighbourhood Plan is adopted, 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

88. The King's Lynn & West Norfolk Housing Needs Assessment outlines a number of areas which relate to housing tenure and affordability in Marshland St James. 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.
 - The recommended tenure split of new housing in King's Lynn & West Norfolk during the plan period (to 2036) is outlined above in 'Affordable housing – quantity needed'.

Affordable Housing policy guidance

89. King's Lynn & West Norfolk's emerging policy on this subject Policy LP28: Affordable Housing requires 20% of all new housing to be affordable. It is not known how much Affordable Housing was delivered in Marshland St James over the last decade as it is not specified in King's Lynn & West Norfolk Borough Council completions figures. However, from completions data it is possible to see that just one development had a net number of completions over the 5 dwelling threshold. If the 20% requirement was met on this development then 3 affordable dwellings would be expected to be delivered. It is not known whether the Affordable Housing requirements are usually met on sites in the

NA, though it appears that sites capable of exceeding the 5 dwelling threshold are uncommon.

90. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
91. 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, but able to be adjusted where necessary. 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 Marshland St James specifically.
92. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Marshland St James requires roughly 23.8 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 16.2 units of affordable rented housing and 7.6 units for affordable home ownership over the plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

Although these figures suggest that 68% of Affordable Housing should be rented and 32% should offer a route to ownership, these figures are not directly equivalent. The former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership. This split is also based on the needs of the entire local authority area of King's Lynn & West Norfolk as opposed to specifically related to Marshland St James.

If the quantity of new housing overall were unlimited, 68% to 32% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

- 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.

Based on the allocated sites in the emerging Local Plan (totaling 25 dwellings), if the target of 20% were achieved on every site, up to around

5 affordable homes might be expected in the NA. Both of the allocated sites in the Local Plan are above the 5 dwelling threshold but current commitments data from King's Lynn & West Norfolk Borough Council indicates 44 dwellings in the pipeline, the vast majority of which are expected to not meet the threshold and come forward in the form of small infill developments. If that is the case, the potential delivery of Affordable Housing is likely to be low and insufficient 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. The 70% rented 30% ownership guideline mix in the emerging Local Plan may offer an appropriate benchmark or could be exceeded slightly while remaining compliant with the policy limitations outlined below.

- 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 emerging Local Plan which seeks 70% affordable rented housing and 30% affordable home ownership.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, delivery 10% or more of homes as affordable home ownership may 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 rented and 30% affordable home ownership (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. It is unlikely that First Homes would have a negative impact on the delivery of social/affordable rented dwellings in the local authority.

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

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
 - G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
 - H. **Existing tenure mix in Marshland St James:** It is not known exactly how much Affordable Housing there is in Marshland St James as it is not specified in King's Lynn & West Norfolk Borough Council completions figures. As of 2011, 5.6% of households in Marshland St James lived in social rented dwellings, with 0.2% of households living in shared ownership dwellings. It is not known how these levels have increased, or how much of the social housing remains in the parish. Between 2001 and 2011, the levels of social housing fell by 36.6%, likely through Right to Buy. 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 Marshland St James 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.
93. On the basis of the considerations above, Table 4-5 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
94. This indicative mix is chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, explored further in Table 4-5, as well as the affordability challenges discussed in this Chapter. When it is likely that Affordable Housing needs will not be met, affordable rented

tenures should be prioritised, as they are in this indicative mix, with it suggested that 70% of Affordable Housing delivered is for social/affordable rent.

95. The remaining 30% of Affordable Housing is suggested to be for affordable home ownership models, with these offering a route to home ownership for a relatively large segment of the population, as well as being accessible in some circumstances to households on mean incomes that otherwise would not be able to access home ownership in Marshland St James. In terms of the split of affordable home ownership products, the following split is suggested:

- 25% First Homes
- 5% Shared Ownership

It is suggested that the proportion of First Homes remains in line with the national requirement of 25% and recommended that they are delivered in Marshland St James at a 50% discount, making them marginally accessible to households containing mean earners. Although the income required to access First Homes at 50% discount is £1,386 greater than mean household incomes, it is considered that this small margin still makes this affordable to the key group. It is suggested that 5% shared ownership is included to provide variety in the affordable home ownership products delivered. If delivered at the new 10% equity share, this is significantly more affordable than First Homes, as well as more affordable than average market rents in the NA. Although still only accessible to mean earners, shared ownership would be accessible to a greater proportion of households.

96. 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.
97. 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 King’s Lynn & West Norfolk Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
98. 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
Routes to home ownership, of which	30%	
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.
Affordable Housing for rent, of which	70%	
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

99. The tenure profile of Marshland St James in 2011 shows that that the vast majority of dwellings in Marshland St James were owned at 84.8%, significantly higher than the levels for the King's Lynn and West Norfolk and England. Due to the dominance of households owning their homes in the NA, the private rented sector is smaller than the wider Borough and country. In terms of Affordable Housing, there are a significantly fewer households living in social rented dwellings in the NA at just 5.6% compared to 17.7% nationally. An interesting trend to note between 2001 and 2011 was the reduction in the private rented sector in this time period by 15.4% whilst the Borough's levels grew by 96.2% and national levels grew by 83.4%.
100. House prices in Marshland St James increased significantly between 2015 and 2020, with the median house prices increasing from £150,000 in 2015 to £325,000 in 2020. Whilst the lower quartile house prices follow the same overall

trend as the median, there is greater fluctuation in values, notably with a drop in the lower quartile house price in 2018. Overall, the lower quartile house price rose from £141,750 in 2011 to £265,000 in 2020. The percentage increase for the median and lower quartile house prices between 2011 and 2020 were similar at 87.3% and 86.9% respectively. Looking at house prices in relation to the type of housing, around $\frac{3}{4}$ of all transactions between 2011 and 2020 were for detached dwellings, with these experiencing a price growth of 87.3%. In this time, very few transactions were for flats and terraces, indicative of a lack of available housing of this type, likely the type of housing which would be the most affordable. Overall, there were some fluctuations in house prices over the time period, likely due to a relatively small sample size of transactions for Marshland St James, particularly when broken down into types of dwelling. The size and condition of properties would also be a key factor impacting the price of dwellings.

Affordability

101. Local households on average incomes are unable to buy even entry-level homes unless they have the advantage of a very large deposit. Market housing for purchase, even with the benefit of a higher than average income, is likely to remain out of reach to most. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners can marginally afford the given rental thresholds for entry-level properties (1 and 2 bedroom).
102. Looking at affordable home ownership, there is a relatively large group of households in Marshland St James who may be able to afford to rent privately but cannot afford home ownership that may benefit from the range of affordable home ownership products. This report has estimated the income required to afford First Homes and a 50% discount would be required to make First Homes marginally affordable to those on mean incomes. None of the First Homes discounts make the product affordable to households on lower quartile incomes. The product would however still benefit those within the 'can rent, can't buy' cohort as the income required at a 50% discount is just over £26,000 lower than the income required to purchase an entry-level home on the open market.
103. Turning to shared ownership, this product appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Shared ownership at 25% equity, like First Homes at a 50% discount, is marginally affordable to households with mean incomes. If shared ownership at 10% equity is delivered it will make shared ownership easier to access for more people, but still limit accessibility to households with mean incomes. 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, except for shared ownership at 10% equity.
104. Affordable rented housing is generally affordable to households with two lower earners but households with a single lower earner have greater issues with affordability. Households with one lower quartile income can potentially marginally afford the smallest socially rented units.

Affordable housing need

105. It is estimated that there is an Affordable Housing need of 1.7 dwellings per annum or 23.8 dwellings over the Neighbourhood Plan period 2022-2036 in Marshland St James. 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 16.2 units of affordable rented housing and 7.6 units for affordable home ownership over the plan period.
106. An indicative mix of Affordable Housing is suggested for Marshland St James, chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified in the NA. When it is likely that Affordable Housing needs will not be met, affordable rented tenures should be prioritised, as they are in this indicative mix, with it suggested that 70% of Affordable Housing delivered is for social/affordable rent. The remaining 30% of Affordable Housing is suggested to be for affordable home ownership models, with the following split:
- 25% First Homes
 - 5% Shared Ownership
107. It is suggested that the proportion of First Homes remains in line with the national requirement of 25% and delivered in Marshland St James at a 50% discount. It is suggested that 5% shared ownership is included to provide variety in the affordable home ownership products delivered. If delivered at the new 10% equity share, this is a more affordable option.
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 King's Lynn & West Norfolk Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
109. Table 4-6 summarises Marshland St James' position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-6: Estimated delivery of Affordable Housing in Marshland St James

	Step in Estimation	Expected delivery
A	Housing requirement	25
B	Affordable housing quota (%) in LPA's Local Plan	20%
C	Potential total Affordable Housing in NA (A x B)	5
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	3.5
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	30%
G	Affordable home ownership number (C x F)	1.5

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

110. This expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. It is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites or community land trusts) to be explored. If the group considered 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.

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

111. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Marshland St James 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.
112. 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

113. 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.
114. 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.
115. 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.
116. 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.

117. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, adding together Census figures and completions data for the intervening period is highly accurate. For others, this method is not available and Valuation Office Agency (VOA) must be used. For Marshland St James, VOA data has been used as the completions data provided by the Borough Council did not break down the dwellings into types or sizes.

Dwelling type

118. Table 5-1 below shows the split in dwelling types in 2021 compared to 2011 Census data. Due to completions data provided by King's Lynn & West Norfolk Borough Council not separating completions into dwelling types, VOA data has been used for these figures. Unfortunately, Census data counts bungalows within each of the other categories rather than independently, meaning that it cannot be compared completely with the VOA data. This is reflected in the apparent decline in the number of semi-detached and detached properties between 2011 and 2021. VOA data is also rounded to the nearest 10 in each dwelling category.

119. Table 5-1 shows that in 2011, Marshland St James was dominated by detached dwellings at 68.1% of the housing stock, with very few flats or terraced dwellings at 1.5% and 2.3% respectively. This indicates that the NA is dominated by larger, more expensive properties. Looking at the dwelling type split in 2021, the large decline in the detached dwellings category is likely due to the inclusion of bungalows in the VOA data, with this dwelling type accounting for 35.6% of dwellings in Marshland St James. In this time there was a small increase in flats and a small decrease in terraced properties, both changing by two dwellings.

Table 5-1: Accommodation type, Marshland St James, 2011 and 2021

Dwelling type	2011 (Census)		2021 (VOA)	
Bungalow	-	-	210	35.6%
Flat	8	1.5%	10	1.7%
Terrace	12	2.3%	10	1.7%
Semi-detached	109	21.1%	110	18.6%
Detached	352	68.1%	210	35.6%
Unknown/other	-	-	40	6.8%
Total	517		590	

Source: ONS 2011, VOA 2021, AECOM Calculations

120. It is helpful to compare the Marshland St James 2021 figures with the wider Borough and the country. Table 5-2 uses VOA data to do this. It shows that the

proportion of bungalows in Marshland St James is significantly higher than nationally at 35.6% and 9.4% respectively, highlighting the provision for the aging population. The proportion of detached dwellings is also greater than both the Borough and the country. The provision of semi-detached dwellings in the NA is slightly below both the Borough and national levels, but roughly in line. The lack of flats and terraced properties mentioned above is emphasised in Table 5-2, with the national proportions over 20 percentage points higher in both categories. This could suggest a lack of lower priced dwellings in Marshland St James.

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

Dwelling type	Marshland St James	King's Lynn & West Norfolk	England
Bungalow	35.6%	27.4%	9.4%
Flat	1.7%	9.4%	23.2%
Terrace	1.7%	16.8%	26.3%
Semi-detached	18.6%	21.9%	23.8%
Detached	35.6%	21.6%	16.0%
Unknown/other	6.8%	3.0%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

121. Turning to the size of dwellings in Marshland St James, VOA data is used once again to bring the 2011 Census up to date to the present day. VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms) but is rounded to the nearest ten for each dwelling category. Table 5-3 shows that the greatest proportion of dwellings, in both 2011 and 2021, was 3-bedroom dwellings, with the proportion increasing slightly in this time period. This is followed by 2-bedroom dwellings, again which there was an increase of between 2011 and 2021, from 24.1% to 26.9% of dwellings in the NA. There was a decrease in both the smallest and largest dwellings.

Table 5-3: Dwelling size (bedrooms), Marshland St James, 2011 and 2021

Number of bedrooms	2011 (Census)		2021 (VOA)	
Studio	-		-	-
1	11	2.4%	10	1.9%
2	111	24.1%	140	26.9%
3	213	46.2%	250	48.1%
4	88	19.1%	100	19.2%
5+	38	8.2%	20	3.8%
Unknown	-	-	0	0.0%
Total	461		520	

Source: ONS 2011, VOA 2021, AECOM Calculations

122. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider Borough and the country. Dwellings with 3-bedrooms are dominant in all three areas, with the proportion in Marshland St James

slightly higher than both King’s Lynn & West Norfolk and England. The proportion of smaller dwellings, both 1-bedroom and 2-bedroom, is below the proportions across the Borough and country, most significantly seen with 1-bedroom dwellings, suggesting a lack of entry-level dwellings. On the other hand, the proportion of larger 4+ bedroom dwellings is greater in the NA than the other areas.

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

Number of bedrooms	Marshland St James	King’s Lynn & West Norfolk	England
1	1.9%	7.5%	12.3%
2	26.9%	30.4%	28.1%
3	48.1%	44.3%	43.4%
4	19.2%	14.3%	12.2%
5+	3.8%	3.3%	3.3%

Source: VOA 2021, AECOM Calculations

Age and household composition

123. Having established the current stock profile of Marshland St James 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

124. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It shows that between 2011 and 2020, the population of Marshland St James is estimated to have increased by 99 people. In 2011 the population was most heavily concentrated in the 45-64 age category at 33.7%, followed by the 25-44 age category. It is estimated that by 2020 this had shifted slightly, with those aged 45-64 still most common, although at a slightly lower proportion of the population, followed by those aged 65-84, with this category increasing by 5.1%. There is also an increase in those aged 85 and over in this time whilst there are slight decreases in younger people aged 16-24 and 25-44.

125. This suggests that over the last decade the population has become more biased towards the older population, with younger people potentially leaving the area as well as the natural aging of the population. 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.

126. 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.

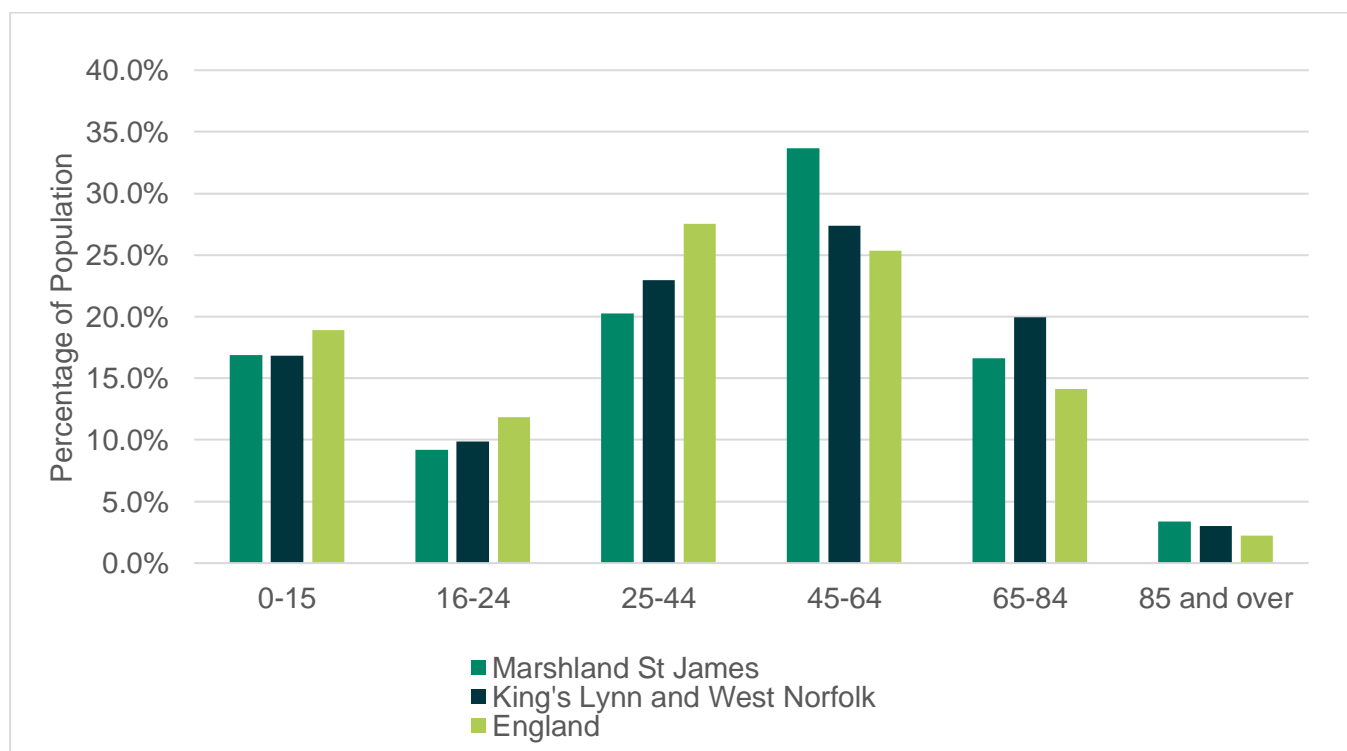
Table 5-5: Age structure of Marshland St James population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	204	16.9%	221	16.9%
16-24	111	9.2%	114	8.7%
25-44	245	20.3%	235	18.0%
45-64	407	33.7%	393	30.0%
65-84	201	16.6%	284	21.7%
85 and over	41	3.4%	61	4.7%
Total	1,209		1,308	

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

127. For context, it is useful to look at the parish population structure alongside that of the Borough and country. Figure 5-1 below (using 2011 Census data) shows that a smaller percentage of the population in Marshland St James were aged 0-44 than across England. The largest proportion of the population in Marshland St James fall within the 45-65 age category, in line with King's Lynn & West Norfolk, whilst the highest proportion of people in England fall in the 25-44 age category. The NA had a significantly higher proportion of the population aged 45-65 in 2011 than both King's Lynn & West Norfolk and England, suggesting, along with the similar levels of the population aged 0-15 to the Borough, a high proportion of families. The NA population has an older bias than the country, but a smaller proportion of the population aged 65-84 than the Borough at that time.

Figure 5-1: Age structure in Marshland St James, 2011



Source: ONS 2011, AECOM Calculations

Household composition

128. 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 a significantly smaller proportion of the population in Marshland St James were single person households (20.0%) than the Borough and England at 27.2% and 30.2% respectively. It may suggest a lack of suitable properties (either in size or affordability) for single persons. This therefore means that there is a higher proportion of family households. The majority of the family households in the NA were those with no children, over 10% higher than the proportion in this category nationally. This is followed by households with dependent children at more similar levels to the Borough and the country. In terms of families where all persons were aged 65 and over, there is a smaller proportion in the NA at 10.6% than the Borough at 13.0%, but a greater proportion than England at just 8.1%.

129. Whilst the data is quite old at this point, it is interesting to observe the changes in households' composition between 2001 and 2011. There were no major notable changes in household composition in Marshland St James although the proportion of single person households fell by 3.2% whilst it grew nationally by 8.4%.

Table 5-6: Household composition, Marshland St James, 2011

Household composition		Marshland St James	King's Lynn & West Norfolk	England
One person household	Total	20.0%	27.2%	30.2%
	Aged 65 and over	8.5%	14.4%	12.4%
	Other	11.5%	12.8%	17.9%
One family only	Total	72.5%	66.6%	61.8%
	All aged 65 and over	10.6%	13.0%	8.1%
	With no children	27.8%	21.4%	17.6%
	With dependent children	23.6%	23.2%	26.5%
	All children Non-Dependent ¹²	10.4%	9.0%	9.6%
Other household types	Total	7.6%	6.2%	8.0%

Source: ONS 2011, AECOM Calculations

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

Occupancy ratings

130. 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.
131. In Marshland St James, 84.2% of households under-occupy their homes. Under-occupancy is most common in families aged 65 and over, where 100% of the population live in a home with at least one surplus bedroom. This is closely followed by families under 65 with no children, with 99.2% of these households under-occupying their homes. The dominance of under-occupancy in these household types suggests that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen to or been able to move to smaller properties. In terms of over-occupancy, this is most common in families under 65 with dependent children, with 6.4% of households living in a home with too few bedrooms for their needs. Overall, just 12.8% of households live in a household considered to be the right size (in terms of bedrooms) for them. This suggests that the size mix of dwellings is not necessarily in tune with the population in the NA.

Table 5-7: Occupancy rating by age in Marshland St James, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	61.2%	38.8%	0.0%	0.0%
Single person 65+	43.6%	51.3%	5.1%	0.0%
Family under 65 - no children	75.0%	24.2%	0.8%	0.0%
Family under 65 - dependent children	24.8%	41.3%	27.5%	6.4%
Family under 65 - adult children	31.3%	45.8%	20.8%	2.1%
Single person under 65	52.8%	35.8%	11.3%	0.0%
All households	47.1%	37.1%	12.8%	3.0%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

132. 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 Marshland St James 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.

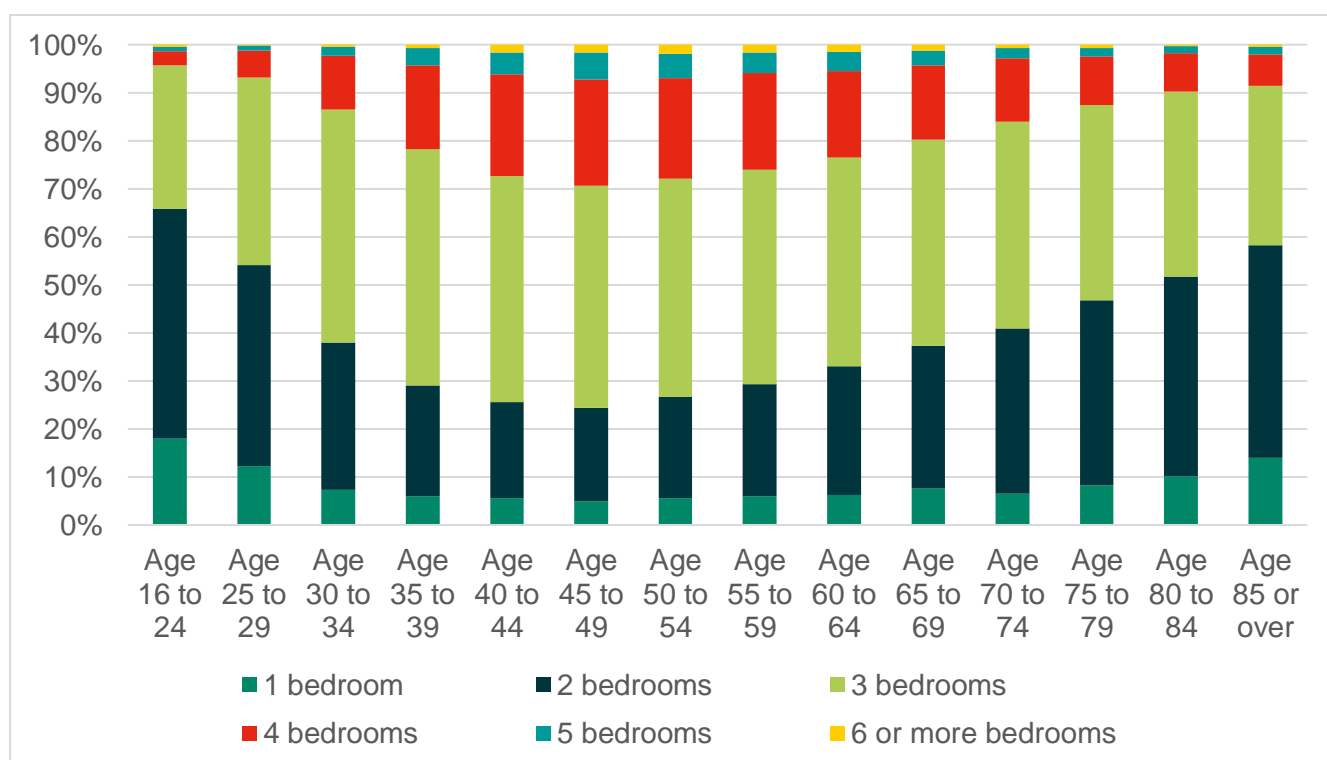
133. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more 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.

134. 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.

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

136. 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

137. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Marshland St James 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 households with a household reference person aged 65 and over expected to increase by 44%, and the only other increase seen in those with a household reference person aged 55 to 64. All of the other age categories are expected to experience a decline within the

plan period, suggesting perhaps a lack of suitable housing, whether this is due to the type and size of dwellings or challenges with affordability, for young couples or families.

Table 5-8: Projected distribution of households by age of HRP, Marshland St James

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	4	30	186	119	122
2036	3	27	167	124	176
% change 2011-2036	-31%	-11%	-10%	4%	44%

Source: AECOM Calculations

138. The final result of this exercise is presented in Table 5-9 below. The model suggests that in 2036 the indicative mix of housing should remain dominated by 3-bedroom dwellings, although at slightly lower levels than in 2011. It is suggested that there be an increase in smaller 1 and 2-bedroom dwellings and a decrease in larger 4+ bedroom dwellings in order to rebalance the size mix of the NA. In order to reach the indicative mix it is suggested that development that comes forward through the plan period is focussed on 1, 2, and 3-bedroom dwellings, primarily the smallest units. It is worth noting that 1-bedroom dwellings are often the least popular and it may therefore be worth reallocating a proportion of this allocation to 2-bedroom or 3-bedroom dwellings.

Table 5-9: Suggested dwelling size mix to 2036, Marshland St James

Number of bedrooms	Starting mix (2011)	Indicative mix (2036)	Balance of new housing to reach indicative mix
1 bedroom	2.4%	7.1%	42.2%
2 bedrooms	24.1%	28.5%	52.3%
3 bedrooms	46.2%	43.6%	5.5%
4 bedrooms	19.1%	16.1%	0.0%
5 or more bedrooms	8.2%	4.6%	0.0%

Source: AECOM Calculations

139. 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. The preceding chapter found that affordability is a serious challenge in the NA. While the provision of Affordable Housing is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.

Young starter families and downsizing older households may both need 'mid-sized' homes but are likely to have extremely different requirements and degrees of purchasing power. 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.

That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.

140. 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. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
141. 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 and mid-sized 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

142. 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 Marshland St James due to the AECOM model being representative of the whole housing market as opposed to split between different tenures. Table 5-10, along with the 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)

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

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

Conclusions- Type and Size

143. 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

144. In 2011, Marshland St James was dominated by detached dwellings at 68.1% of the housing stock, with very few flats or terraced dwellings at 1.5% and 2.3% respectively. This indicates that the NA is dominated by larger, more expensive properties. Looking at the dwelling type split in 2021, the large decline in the detached dwellings category is likely due to the inclusion of bungalows in the VOA data whilst the Census counts bungalows within the other dwelling type categories, with this dwelling type accounting for 35.6% of dwellings in Marshland St James. Comparing the dwelling mix in Marshland St James in 2021 to the wider Borough and country, it shows that the proportion of bungalows in Marshland St James is significantly higher than nationally at 35.6% and 9.4% respectively, highlighting the provision for the aging population. The proportion of detached dwellings is also greater than both the Borough and the country. The lack of flats and terraced properties mentioned above is emphasised, with the national proportions over 20% higher in both categories.

145. Turning to the size of dwellings in Marshland St James, the most common category in both 2011 and 2021 was 3-bedroom dwellings. This is followed by

2-bedroom dwellings, with an increase between 2011 and 2021 from 24.1% to 26.9%. There was a decrease in both the smallest and largest dwellings. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider Borough and the country. Dwellings with 3-bedrooms are dominant in all three areas, with the proportion in the NA slightly higher than both King's Lynn & West Norfolk and England. The proportion of smaller dwellings is below the proportions across the Borough and country, most significantly seen with the 1-bedroom dwellings. On the other hand, the proportion of larger 4+ bedroom dwellings is greater in the NA than the other areas.

Demographics

146. Between 2011 and 2020, the population of Marshland St James increased by 99 people. In 2011 the population was most heavily concentrated in the 45-64 age category at 33.7%, followed by the 25-44 age category. It is estimated that by 2020 this had shifted slightly, with those aged 45-64 still most common, although at a slightly lower proportion of the population, followed by those aged 65-84, with this category increasing by 5.1%. This suggests that over the last decade the population has become skewed towards the older population, with younger people potentially leaving the area as well as the natural aging of the population. In 2011, a smaller percentage of the population in Marshland St James were aged 0-44 than across England. The NA had a significantly higher proportion of the population aged 45-65 in 2011 than both King's Lynn & West Norfolk and England, suggesting, along with the similar levels of the population aged 0-15 to the Borough, a high proportion of families. The NA population has an older bias than the country, but a smaller proportion of the population aged 65-84 than the Borough at that time. Population growth across the plan period can be expected to be driven by the oldest households (65+), which are expected to increase by 44%, and the only other increase seen in those with a household reference person aged 55 to 64.
147. When looking at household composition, a significantly smaller proportion of the population in Marshland St James were single person households than the Borough and England, perhaps suggesting a lack of suitable properties (either in size or affordability) for single persons. This means that there is a higher proportion of family households, the majority of which had no children. In terms of families where all persons were aged 65 and over, there is a smaller proportion in the NA at 10.6% than the Borough at 13.0%, but a greater proportion than England at just 8.1%.
148. In Marshland St James, 84.2% of households under-occupy their homes. Under-occupancy is most common in families aged 65 and over, where 100% of the population live in a home with at least one surplus bedroom, closely followed by families under 65 with no children. The dominance of under-occupancy in these household types suggests that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen to or been able to move to smaller properties. Over-occupancy is most common in families under

65 with dependent children. Overall, just 12.8% of households live in a household considered to be the right size (in terms of bedrooms) for them. This suggests that the size mix of dwellings is not necessarily in tune with the population in the NA.

Future dwelling mix

149. The AECOM model suggests that in 2036 the indicative mix of housing should remain dominated by 3-bedroom dwellings, although at slightly lower levels than in 2011. It is suggested that there be an increase in smaller 1 and 2-bedroom dwellings and little further growth in larger 4+ bedroom dwellings in order to rebalance the size mix of the NA. In order to reach the indicative mix it is suggested that development that comes forward through the plan period is focussed on 1, 2, and 3-bedroom dwellings, primarily the smallest units.
150. It is never advisable to restrict future housing delivery to selected size categories only and it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. As such, it is recommended that priority is given to smaller and mid-sized 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 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.

6. Conclusions

Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Quantity of affordable housing to plan for</p>	<p>The starting point for understanding the need for affordable housing in Marshland St James is the King's Lynn & West Norfolk Housing Needs Assessment (2020). This study identifies the need for 202 additional affordable dwellings each year in King's Lynn & West Norfolk as a whole. When looking at just the affordable elements of this recommended split of new housing, the ratio between social/affordable rent and affordable home ownership can be extrapolated to a 68% to 32% split.</p> <p>When the LHNA figures are pro-rated to Marshland St James based on its fair share of the population (0.86% of the LPA's population, based on mid-2020 population estimates), this equates to 1.7 dwellings per annum or 23.8 dwellings over the Neighbourhood Plan period 2022-2036.</p> <p>There is almost certainly a backlog of households in need currently in the NA on the King's Lynn & West Norfolk Borough Council Housing Register waiting</p>	<p>This study estimates that Marshland St James requires roughly 23.8 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 16.2 units of affordable rented housing and 7.6 units for affordable home ownership over the plan period.</p> <p>An indicative mix of Affordable Housing is suggested for Marshland St James, chiefly in response to the expectation that the delivery of Affordable Housing will be lower than the needs identified in the NA. It suggested that 70% of Affordable Housing delivered is for social/affordable rent, with the remaining 30% for affordable home ownership models, with the following split:</p> <ul style="list-style-type: none"> • 25% First Homes • 5% Shared Ownership

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>list. It is assumed that this need may justify the delivery of at least some affordable rented housing towards the beginning of the plan period to contribute towards meeting this existing need.</p>	<p>It is suggested that the proportion of First Homes remains in line with the national requirement of 25% and delivered in Marshland St James at a 50% discount. It is suggested that 5% shared ownership is included to provide variety in the affordable home ownership products delivered. If delivered at the new 10% equity share, this is a more affordable option.</p>
<p>Housing tenure and affordability</p>	<p>The tenure profile of Marshland St James in 2011 showed that the vast majority of dwellings in Marshland St James were owned, significantly higher than the levels for the King’s Lynn and West Norfolk and England. Due to this dominance, the private rented sector is smaller. In terms of Affordable Housing, there were significantly fewer households in social rented dwellings in the NA.</p> <p>House prices in Marshland St James increased significantly between 2015 and 2020, to £325,000 in 2020. Whilst the lower quartile house prices follow the same overall trend as the median, there is greater fluctuation in values, rising to £265,000 in 2020. In relation to the type of housing, the majority of transactions were for detached dwellings, with these experiencing a price growth of 87.3%. The size and condition of properties would also be a key factor impacting the price of dwellings.</p> <p>Local households on average incomes are unable to buy even entry-level homes, market</p>	<p>This report has estimated the income required to afford First Homes and a 50% discount would be required to make First Homes marginally affordable to those on mean incomes. The product would also still benefit those within the ‘can rent, can’t buy’ cohort as the income required at a 50% discount is just over £26,000 lower than the income required to purchase an entry-level home on the open market. In terms of shared ownership, this product appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Shared ownership at 25% equity, like First Homes at a 50% discount, is marginally affordable to households with mean incomes. If shared ownership at 10% equity is delivered it will make shared ownership easier to access for more people, but still limit accessibility to households with mean incomes. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents.</p> <p>Affordable rented housing is generally affordable to households with two lower earners but households with a single lower</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>housing for purchase is likely to remain out of reach to most. Private renting is generally only affordable to average earners. There is a relatively large group of households in Marshland St James who may be able to afford to rent privately but cannot afford home ownership that may benefit from the range of affordable home ownership products.</p>	<p>earner have greater issues with affordability. Households with one lower quartile income can potentially marginally afford the smallest socially rented units.</p>
<p>Housing type and size</p>	<p>In 2011, Marshland St James was dominated by detached dwellings, with very few flats or terraced dwellings, indicating that the NA is dominated by larger, more expensive properties. Comparing the 2021 dwelling mix in Marshland St James to the wider Borough and country, it shows that the proportion of bungalows in Marshland St James is significantly higher than nationally, highlighting the provision for the aging population. The proportion of detached dwellings is also greater than both the Borough and the country. Turning to the size of dwellings, the most common category in both 2011 and 2021 was 3-bedroom dwellings. This is followed by 2-bedroom dwellings. There was a decrease in both the smallest and largest dwellings. The proportion of smaller dwellings in the NA is below the proportions across the Borough and country, most significantly seen with the 1-bedroom dwellings.</p> <p>Between 2011 and 2020, the population of Marshland St James increased by 99 people, with</p>	<p>The AECOM model suggests that in 2036 the indicative mix of housing should remain dominated by 3-bedroom dwellings, although at slightly lower levels than in 2011. It is suggested that there be an increase in smaller 1 and 2-bedroom dwellings and little further growth in larger 4+ bedroom dwellings in order to rebalance the size mix of the NA. It is suggested that development that comes forward is focussed on 1, 2, and 3-bedroom dwellings.</p> <p>It would be unwise for any new housing that does come forward to be delivered in an unbalanced way. As such, it is recommended that priority is given to smaller and mid-sized 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 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.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>those aged 45-64 most common, followed by those aged 65-84. This suggests the population has become skewed towards the older population. Population growth across the plan period can be expected to be driven by the oldest households (65+), which are expected to increase by 44%, and the only other increase seen in those with a household reference person aged 55 to 64.</p> <p>In the NA, 84.2% of households under-occupy their homes, most commonly in families aged 65 and over, where 100% of the population live in a home with at least one surplus bedroom, closely followed by families under 65 with no children. The dominance of under-occupancy in these household types suggests that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen to or been able to move to smaller properties.</p>	

Recommendations for next steps

152. This Neighbourhood Plan housing needs assessment aims to provide Marshland St James 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 King's Lynn & West Norfolk Borough Council 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 King's Lynn & West Norfolk Borough Council;

- 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 King's Lynn & West Norfolk Borough Council.
153. 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.
154. 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, King's Lynn & West Norfolk Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
155. 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.

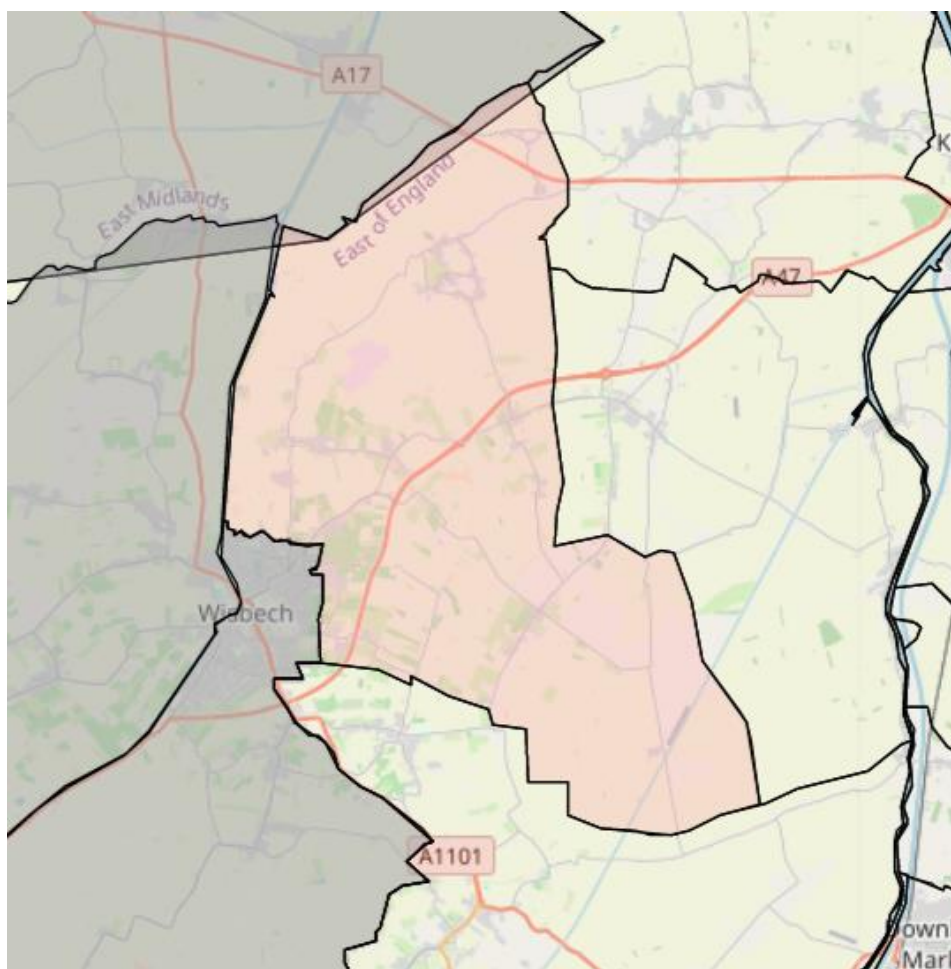
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

156. 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.

157. 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 Marshland St James, it is considered that MSOA E02005563 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 MSOA E02005563 appears below in Figure A-1. It encompasses the parish of Marshland St James as well as Walton Highway, West Walton, Walpole Highway, Walpole St Andrew, Walpole St Peter, Walpole Marsh, Walpole Cross Keys, and parts of Walsoken.

Figure A-1: MSOA E02005563 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

158. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
159. 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

160. 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.
161. 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 Marshland St James, 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.
162. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £325,000;
 - Purchase deposit at 10% of value = £32,500;
 - Value of dwelling for mortgage purposes = £292,500;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £83,571.
163. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £265,000, and the purchase threshold is therefore £68,143.
164. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 2 sales of new build properties in the NA in 2020, which is not a large enough sample to give a representative average cost of new build housing in Marshland St James. Ordinarily, to determine an estimate for the price of new build housing in the NA, the uplift would be calculated between the median and new build house prices in the LA, and then

this uplift applied to the lower quartile house price for the NA. However, in this case, there was no uplift across King's Lynn & West Norfolk as a whole to be applied. Therefore, the median house price in the NA is used as a proxy for the price of new build entry-level housing in the NA and used in the calculations for First Homes and shared ownership. For Marshland St James this value is £325,000, as above.

ii) Private Rented Sector (PRS)

165. 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.
166. 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.
167. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. Due to a lack of properties available to let in Marshland St James, the best available data is derived from properties available for rent within a wider area, as shown in Figure A-2. This area covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings. It is worth noting that 5 of the 11 properties used to generate the average were within 1 mile Marshland St James, with 3 of the 4 entry-level properties within this range. The properties for rent in this proxy area in January 2022 were located in Marshland St James (3), Terrington St John (1), Walpole St Peter (2), Watlington (1), Stow Bridge (1), Wiggshall St Mary Magdalen (1), and Emneth (2).

Figure A-2: Map of NA proxy area for private rental prices



Source: Rightmove

168. According to Rightmove.co.uk , there were 11 properties for rent at the time of search in January 2022, with an average monthly rent of £906. There were 4 entry-level (1 and 2-bedroom) properties listed, with an average price of £694 per calendar month.

169. The calculation for the private rent income threshold for entry-level (1 and 2-bedroom) dwellings is as follows:

- Annual rent = £694 x 12 = £8,328;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £27,760.

170. The calculation is repeated for the overall average to give an income threshold of £36,240.

A.3 Affordable Housing

171. 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

172. 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.

173. 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 Marshland St James. 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.
174. 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	£84.59
Annual average	£3,951	£4,330	£4,715	£5,321	£4,399
Income needed	£13,157	£14,419	£15,700	£17,719	£14,648

Source: Homes England, AECOM Calculations

ii) Affordable rent

175. 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).
176. 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%.
177. 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.
178. Comparing the overall affordable rent level with the average entry-level (1 and 2 bedroom) annual private rent above indicates that affordable rents in the NA are actually closer to 65% 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	£103.38
Annual average	£4,290	£5,228	£5,790	£6,851	£5,376
Income needed	£14,286	£17,408	£19,281	£22,814	£17,901

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

179. 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.

180. 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

181. 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.

182. The starting point for these calculations is therefore the estimated cost of new build housing in the NA. Due to a small sample size, the median cost of existing housing in the NA is used as a proxy, noted above of £325,000.

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

- Value of a median home = £325,000;
- Discounted by 30% = £227,500;
- Purchase deposit at 10% of value = £22,750;
- Value of dwelling for mortgage purposes = £204,750;
- Divided by loan to income ratio of 3.5 = purchase threshold of £58,500.

184. 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 £50,143 and £41,786 respectively.

185. 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, meaning they meet the criteria.
186. 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 Marshland St James.

Shared ownership

187. 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'.
188. 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.
189. 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).
190. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £325,000 is £81,250;
 - A 10% deposit of £8,125 is deducted, leaving a mortgage value of £73,125;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £20,893;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £243,750;
 - The estimated annual rent at 2.5% of the unsold value is £6,094;

- This requires an income of £20,312.50 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £41,205 (£20,893 plus £20,312.50).

191. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £32,732 and £55,327 respectively.

192. The income thresholds are all below the £80,000 cap for eligible households.

Rent to Buy

193. 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)

194. 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.

195. 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 = $\frac{£200,000}{£25,000} = 8$, (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 methods¹³.

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 Standard¹⁴

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.

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

¹⁴ 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 Order¹⁵

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)¹⁶

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.

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

¹⁶ See 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 years¹⁷, 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

¹⁷ 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 Housing¹⁸

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

¹⁸ 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.¹⁹

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

