

# Walpole Cross Keys

Housing Needs Assessment (HNA)

January 2023

## Quality information

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## Revision History

<b>Revision</b>	<b>Date</b>	<b>Details</b>	<b>Authorized</b>	<b>Name</b>	<b>Position</b>
1	November 2022	First Draft	TS	Tony Sloan	Senior Town Planner
2	December 2022	Internal Review	OC	Olivia Carr	Housing Consultant
3	December 2022	Issue for Group Review	TS	Tony Sloan	Senior Town Planner
4	December 2022	Group Review	KE	Katie Evans (Collective Community Planning)	Graduate Planner
5	January 2023	Issue for Locality Review	TS	Tony Sloan	Senior Town Planner
6	January 2023	Locality Review	AB	Annabel Osborne	Neighbourhood Planning Officer
7	January 2023	Final Report	TS	Tony Sloan	Senior Town Planner

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

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
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
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

1. Walpole Cross Keys is a Neighbourhood Area located in the local authority area of King's Lynn and West Norfolk. The Neighbourhood Area boundary covers the areas administered by Walpole Cross Keys Parish Council.
2. The Office for National Statistics mid-2020 population estimate for Walpole Cross Keys is 550 individuals, showing an increase of 32 individuals since the 2011 Census.
3. There has been significant development in Walpole Cross Keys since 2011, with King's Lynn and West Norfolk providing completions data from 2012 to 2022 which showed the development of 42 dwellings (net). Of these, five were delivered as Affordable Housing, comprising two shared ownership units and three affordable rented units. The total quantity of dwellings in the NA is therefore estimated to be 237. As of October 2022, there are nine outstanding commitments in the NA<sup>1</sup>, totalling 28 dwellings.
4. This Executive Summary details the conclusions of each chapter of the report, addressing the two research questions formulated at the outset of the research.
5. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood-level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up-to-date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

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<sup>1</sup> Representing five granted permissions (between March 2017 and February 2021) and four permissions which have commenced since May 2019.

## Research Questions

### Findings of RQ 1: Tenure, Affordability and the Need for Affordable Housing

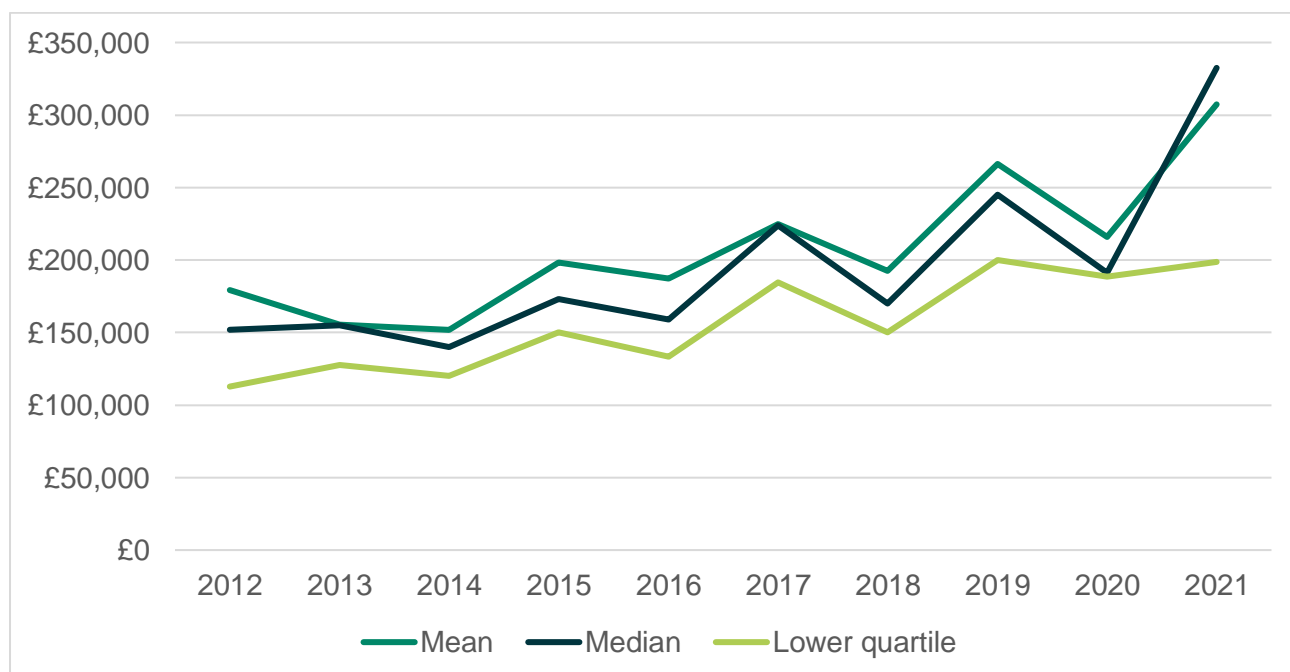
#### Tenure Profile

6. At the time of the 2011 Census, Walpole Cross Keys was characterised by a very high proportion of home ownership compared to the borough and national levels. The NA had significantly lower proportions of private and social rented properties compared to both geographies, whilst shared ownership dwellings were non-existent.

#### House Prices

7. Figure 1-1 overleaf looks at selected measures of house prices in Walpole Cross Keys. There has been an overall increase in house prices between 2012 and 2021, despite year-on-year fluctuations. The median house price experienced the greatest growth over this period, increasing by 118.6% from £152,000 in 2012 to £332,500 in 2021. The lower quartile price increased from £112,750 in 2012 to £198,750 in 2021, indicating 76.3% growth. Detached dwellings experienced the greatest growth, followed by terraced dwellings and semi-detached dwellings. There were no transactions recorded for flats across 2012 and 2021.

Figure 1-1 House prices by quartile in Walpole Cross Keys, 2012-2021



Source: Land Registry PPD

#### Affordability Thresholds

8. Table 1-1 overleaf summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. Households on average incomes (£40,400) cannot access median or entry-level homes market homes. Private renting is generally only accessible to those on average incomes. Therefore, Rent to Buy may be a viable route to affordable home ownership for those

earning average incomes but with low savings for a deposit, although this is likely to be out of reach for those on lower incomes.

**Table 1-1 Affordability thresholds in Walpole Cross Keys (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
<b>Market Housing</b>						
Median House Price	£299,250	-	<b>£85,500</b>	No	No	No
Estimated NA New Build Entry-Level House Price	£232,542		<b>£66,441</b>	No	No	No
LQ/Entry-level House Price	£178,875	-	<b>£51,107</b>	No	No	No
LA New Build Median House Price	£292,500	-	<b>£83,571</b>	No	No	No
Average Market Rent	-	£10,032	<b>£33,440</b>	Yes	No	No
Entry-level Market Rent	-	£8,028	<b>£26,760</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£162,780	-	<b>£46,508</b>	No	No	No
First Homes (-40%)	£139,525	-	<b>£39,864</b>	Yes	No	No
First Homes (-50%)	£116,271	-	<b>£33,220</b>	Yes	No	No
Shared Ownership (50%)	£116,271	£3,230	<b>£43,986</b>	No	No	No
Shared Ownership (25%)	£58,136	£4,845	<b>£32,759</b>	Yes	No	No
Shared Ownership (10%)	£23,254	£5,814	<b>£26,023</b>	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,376	<b>£17,901</b>	Yes	No	Yes
Social Rent	-	£4,323	<b>£14,395</b>	Yes	No	Yes

Source: AECOM Calculations

9. The income required to afford First Homes has been tested against the implications of 30%, 40% and 50% discount levels. Whilst First Homes at 50% discount are the most affordable, they may be unviable to develop as the discount price is close to the build costs. It is therefore recommended that any future First Homes in Walpole Cross Keys are delivered at a 40% discount. This level of discount appears to extend homeownership to the widest proportion of the population, whilst also remaining viable.
10. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. While the income threshold for a 10% equity shared ownership home may be within the reach of lower quartile earners, 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.
11. Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Walpole Cross Keys, who can afford few other options.

**Affordable housing- quantity needed**

12. Calculations based on LHNA figures suggest that Walpole Cross Keys requires approximately 7 units of affordable rented housing and 4 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes. The relationship between these



figures suggests that 64% of Affordable Housing should be rented and 36% should offer a route to ownership.

13. In addition to this, AECOM's calculations suggest that Walpole Cross Keys has sufficient affordable rented housing and requires approximately 8 units of affordable home ownership over the Plan period.
14. These calculations provide the following ranges for affordable housing delivery in the NA:
  - between 4 and 8 affordable ownership dwellings, and
  - up to 7 affordable rented dwellings.
15. AECOM's calculation is considered a more accurate reflection of the affordable housing need in the NA as the LHNA-based calculation relies on pro-rating and extrapolating district levels, which may overestimate the housing need in a rural area such as Walpole Cross Keys.
16. As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited.

### **Affordable Tenure Split**

17. AECOM's recommended indicative Affordable Housing tenure mix is set out in Table 1-2, seeking an appropriate balance between affordable rented tenures and affordable home ownership. The recommended split complies with the emerging Local Plan guideline mix of 70% affordable rented to 30% affordable ownership.
18. In line with national policy requirements, it's recommended that First Homes make up 25% of the affordable home provision. It is suggested that First Homes are delivered at a 40% discount, making the product just affordable to households on mean incomes. Any further discount would likely present viability challenges. It is recommended that shared ownership be allocated 5% of the affordable home provision, as this product at 10% equity is more affordable than First Homes. Rent to Buy does not feature in the recommended mix as it less affordable than shared ownership at lower equity levels.

**Table 1-2 Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>
<b>Routes to home ownership, of which</b>	<b>30%</b>
First Homes	25%
Shared ownership	5%
Rent to Buy	0%
<b>Affordable Housing for rent, of which</b>	<b>70%</b>
Social rent	To be set by Registered Providers
Affordable rent	To be set by Registered Providers

Source: AECOM calculations

## Findings of RQ 2: Type and Size

### *Existing Types and Sizes*

19. 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.
20. According to Census 2011 data, Walpole Cross Keys had a higher proportion of detached properties compared to King's Lynn and West Norfolk, with the levels at both geographies significantly exceeding the national level for this house type. The NA also had a higher proportion of semi-detached properties and a lower proportion of terraced units compared to King's Lynn and West Norfolk. Finally, Walpole Cross Keys had a lower proportion of flats compared to the borough, both remaining significantly below the national level for this house type. 2021 VOA data suggests that Walpole Cross Keys had a comparatively high proportion of bungalows (on par with the borough) compared to nationally.
21. In terms of size, Walpole Cross Keys' housing stock is weighted towards larger size homes. The NA has a particularly high share of three-bedroom homes in comparison with King's Lynn and West Norfolk and England. The NA has lower proportions in the one- and two- bedroom categories compared to the borough and national averages. The NA has a higher proportion of four-bedroom dwellings, whilst the proportion of five+ bedroom dwellings is relatively consistent across all three geographies.

### *Age and Household Composition*

22. Between 2011 and 2020, the older aged population (65 and over) increased significantly, whilst the remaining younger age groups experienced more modest growth (or small decline in the case of 25-44). The 45-64 age group represented the largest single age group in Walpole Cross Keys across 2011 and 2020.
23. In 2021 Walpole Cross Keys had a lower proportion of single person households and a higher proportion of family households when compared to the wider borough. Those aged 66 and over are more likely to be living as a family unit in Walpole Cross Keys, opposed to within a single person household which is more common across the wider borough and nation.
24. In Walpole Cross Keys the proportion of families with no children (26.4%) is roughly equal to the level of families with dependent children (27.8%), contrasting the wider borough and nation averages which lean more towards families with dependent children. This could be indicative of an aging population, and potentially due to affordability challenges pricing young families out of the NA.
25. Walpole Cross Keys had a high rate of under-occupancy: 81.9% of households lived in a home with at least one extra bedroom in 2011, with 42.0% living in a home with two or

more extra bedrooms. The percentage of households living in homes with fewer bedrooms than they might be expected to need was low at 2.7%.

### **Suggested Future Dwelling Size Mix**

26. Table 1-3 presents the results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period.

**Table 1-3 Indicative dwelling size mix to 2036, Walpole Cross Keys**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Indicative mix 2036</b>	<b>Balance of new housing to reach indicative mix</b>
1 bedroom	4.8%	7.3%	21.8%
2 bedrooms	20.7%	28.9%	73.9%
3 bedrooms	46.8%	43.5%	0.0%
4 bedrooms	23.4%	15.8%	0.0%
5 or more bedrooms	4.3%	4.5%	4.3%

Source: AECOM Calculations

27. This suggests that the indicative mix in 2036 should be dominated by three-bedroom dwellings at 43.5%, although to a lesser extent than in 2011. This is followed by two-bedroom dwellings at 28.9%, a significant increase on the 2011 proportion, four-bedroom dwellings at 15.8%, one-bedroom dwellings at 7.3% and five or more-bedroom dwellings at 4.5%.

28. In order to reach the target mix by 2036, new development of all tenures might involve the following share of dwelling sizes:

- 21.8% as one-bedroom;
- 73.9% as two-bedrooms;
- 0.0% as three-bedrooms;
- 0.0% as four-bedrooms; and
- 4.3% as five or more- bedrooms.

29. This modelling is a starting point for thinking about how best to address the more nuanced needs of the future population. The results suggest that there will be no need for further three- or four-bedroom dwellings over the Neighbourhood Plan period but as discussed in the Chapter, this is not necessarily the most appropriate stance.

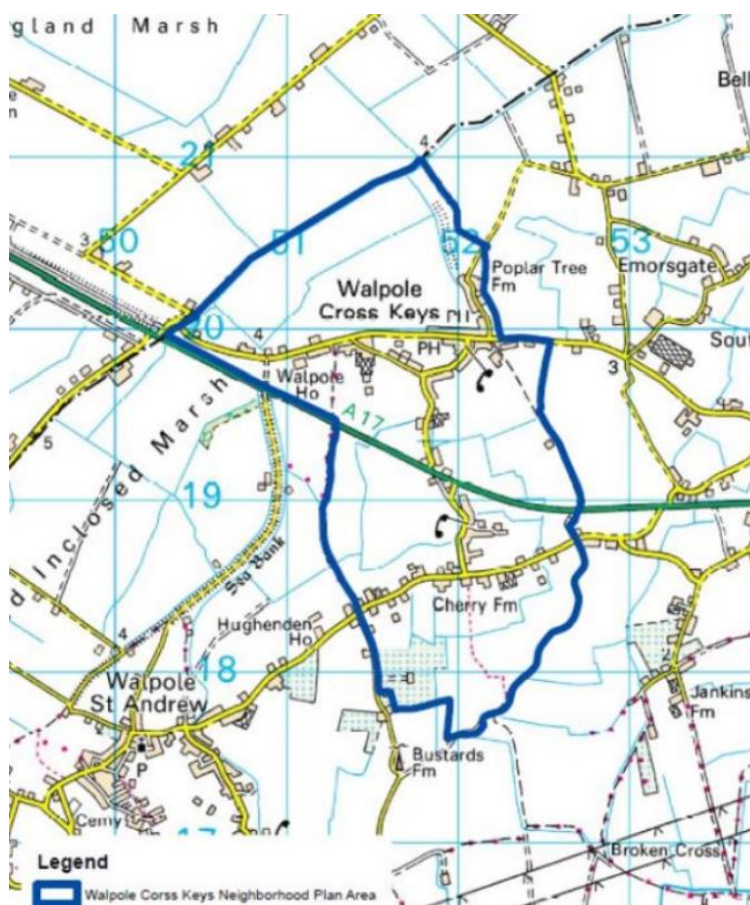
30. It would be unwise for any new housing to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller-sized homes 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.

## 2. Context

### Local context

31. Walpole Cross Keys is a Neighbourhood Area located in King's Lynn and West Norfolk, East of England.
32. Walpole Cross Keys Parish Council are currently undertaking a review of an existing Neighbourhood Plan, adopted by King's Lynn & West Norfolk Borough Council in October 2017. The Neighbourhood Area (NA) boundary aligns with the parish boundary and was designated in November 2013. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1 Map of the Walpole Cross Keys Neighbourhood Area**

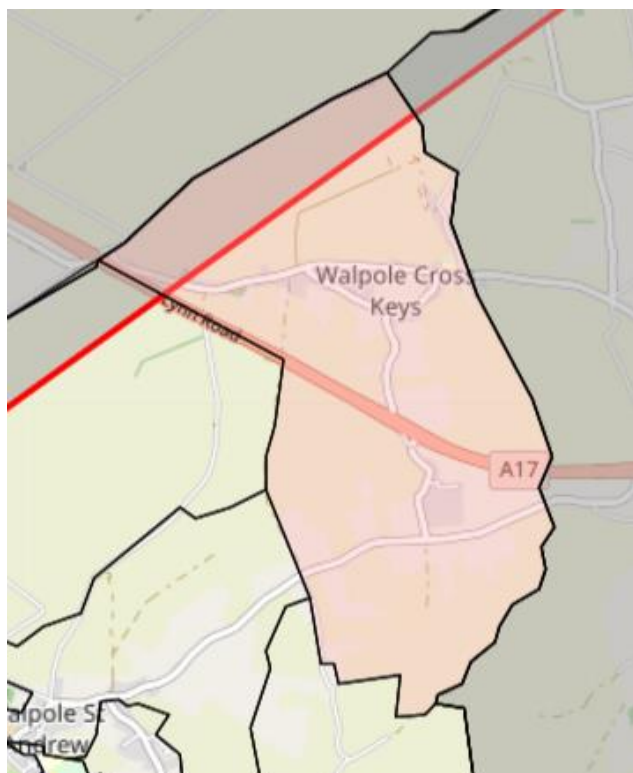


Source: King's Lynn and West Norfolk Borough Council

33. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs) and Super Output Areas (SOAs). OAs are the smallest unit, covering around 125 households, SOAs are built from groups of OAs and come in 3 layers (Lower, Middle and Upper). The Plan area roughly equates to the following OA (see Figure 2-2), 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:

- OA E00135807 (referred to as 33UEJG0006 in 2001)

**Figure 2-2 OA E00135807 Boundary**



Source: ONS

34. The NA covers approximately 403 hectares of land positioned in the Fens. The NA is bisected by the A17, with the village of Walpole Cross Keys located roughly equidistant between King's Lynn (approximately six miles to the east) and Wisbech (approximately six miles to the south west).
35. The proposed Neighbourhood Plan period starts in 2021 and extends to 2036, therefore comprising a planning period of 15 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.
36. The statistics show that in the 2011 Census, the NA had a total of 518 residents, formed into 188 households and occupying 195 dwellings. Data provided by King's Lynn and West Norfolk indicates a total net gain of 42 new residential dwellings in Walpole Cross Keys between 2012 and 2022.
37. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Walpole Cross Keys is 550 – indicating a population growth of around 32 individuals since 2011. This level of population growth appears low compared to the amount of new development that has taken place in the NA since 2011. However, 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. 2021 Census data counts 227 households in the NA, an increase of 39 households since 2011, in line with the increase in dwellings.

## The Housing Market Area Context

38. Whilst this HNA focuses on Walpole Cross Keys 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 Walpole Cross Keys, the parish sits within King's Lynn & West Norfolk which can be considered a self-contained housing market area (HMA)<sup>2</sup>. There are relationships with neighbouring areas to the west and east – Breckland and Fenland, however King's Lynn & West Norfolk records a high level of self-containment. When households who live in the King's Lynn & West move home, the vast majority move within the borough.
39. At the neighbourhood scale, it is not possible to be definitive about housing need and demand because neighbourhoods, including Walpole Cross Keys, are closely linked to other areas. In the case of Walpole Cross Keys, changes in need or demand in settlements nearby are likely to have an impact on the neighbourhood.
40. In summary, Walpole Cross Keys functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (King's Lynn and West Norfolk), it's 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 role the neighbourhood plays within the wider market, or developing policies to change entrenched patterns, improving housing outcomes in the neighbourhood and wider area.

## Planning policy context

41. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>3</sup> In the case of Walpole Cross Keys, the relevant adopted Local Plan for King's Lynn and West Norfolk consists of:
- King's Lynn & West Norfolk Borough Council Local Development Framework - Core Strategy - Adopted July 2011
  - King's Lynn and West Norfolk Local Plan - Site Allocations & Development Management Policies (SADMP) – Adopted September 2016
42. The Core Strategy guides development and the use of land up to 2026, setting out the long-term plans for the borough. It contains a number of borough-wide policies, and it provides the strategic direction of growth. The SADMP complements the Core Strategy, setting out land allocations and development management policies. The SADMP provides development boundaries for settlements and provides housing allocations across the borough.

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<sup>2</sup> As noted in King's Lynn & West Norfolk Housing Needs Assessment – March 2020. Available at: [https://www.west-norfolk.gov.uk/downloads/file/6252/2020\\_housing\\_needs\\_assessment](https://www.west-norfolk.gov.uk/downloads/file/6252/2020_housing_needs_assessment) [Accessed: October 2022]

<sup>3</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

43. King’s Lynn & West Norfolk are preparing a review of the Local Plan. The emerging Local Plan will guide development up to 2036, eventually replacing the current Local Plan. The draft Local Plan was submitted to the Secretary of State for independent examination on 29 March 2022. Examination Hearing sessions are expected to take place between December 2022 and January 2023.

## Policies in the adopted local plan

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

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

Policy	Provisions
Core Strategy CS02 The Settlement Hierarchy	<p>Defines the Borough’s settlement hierarchy through six tiers of settlements based on their role and function in the borough, as follows:</p> <ul style="list-style-type: none"> <li>• Sub-regional Centre (King’s Lynn including West Lynn and Gaywood);</li> <li>• Main Towns (Hunstanton and Downham Market);</li> <li>• Settlements adjacent to King’s Lynn and the Main Towns;</li> <li>• Key Rural Service Centres;</li> <li>• Rural Villages; and</li> <li>• Smaller Village and Hamlets.</li> </ul> <p>Walpole Cross Keys is identified as a Rural village.</p>
Core Strategy CS06 Development in Rural Areas	<p>Sets out the strategy for development in rural areas. This includes focus most new development in key rural service centres selected from the Settlement Hierarchy Policy CS02.</p> <p>In the Rural Villages (as well as Smaller Villages and Hamlets) modest levels of development, as detailed in Policy CS09, will be permitted to meet local needs and maintain the vitality of these communities where this can be achieved in a sustainable manner</p> <p>Sites may be allocated for affordable housing or exception housing in accordance with criteria to support the housing strategy.</p>



## Policy

## Provisions

### Core Strategy

### CS09 Housing Distribution

Stipulates a minimum of 16,500 new dwellings across the Borough over the period 2001 to 2026, (12,000 to 2021 and an additional 3,000 to maintain a 15 year supply from adoption date of the Core Strategy, anticipated 2011. The total also allows 10% for flexibility).

Provision 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.

In relation to type, size and tenure, housing proposals must take appropriate account of need identified in the most up to date strategic housing market assessment including appropriate provision for all sectors of the community i.e. elderly people or people with disabilities.

The percentage of affordable housing which will be sought for on qualifying sites is 20% outside of the built up area of King's Lynn.

The thresholds over which affordable housing provision will be sought is sites of 0.165 of ha or 5 or more dwellings in rural areas.

The policy recommends a Tenure mix of 70:30 Rented to 'shared ownership', subject to negotiation. 30% 'shared ownership' includes other forms of intermediate tenure, including intermediate rented.

The policy also recognises the need to consider the exceptional provision of affordable housing (maintained in 'perpetuity') within the Rural Villages classification in Policy CS02.



Policy	Provisions
SADMP	On a population pro-rotta basis Walpole Cross Keys would receive an allocation of 5 new dwellings.
G.105 Walpole Cross Keys (RV)	However no suitable site has been identified in the settlement due to constraints in terms of form, character, highway and access. As such Walpole Cross Keys will not receive an allocation.

Source: King's Lynn & West Norfolk Borough Council

## Policies in the emerging local plan

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

**Table 2-2: Summary of relevant emerging policies in King's Lynn & West Norfolk Borough Council's emerging Local Plan**

Policy	Provisions
LP01 Spatial Strategy	This strategic overarching policy summaries the development prioritises for the Borough, including setting out development strategies for rural area. It notes the housing need requirements for different areas, including 210 allocated dwellings for Rural Villages (representing 3% of the total 6,175 allocated dwellings).
LP02 Settlement Hierarchy	Corresponds with adopted Policy CS02 - The Settlement Hierarchy, no significant change identified.
Policy LP28 Affordable Housing	Corresponds with adopted Policy CS09 - Housing Distribution. Again 30% of all affordable homes should be affordable homes for ownership, requiring 25% First Homes and 5% shared ownership. This split can be adjusted where necessary to balance housing need and make schemes viable.
LP41 Development in Rural Areas	Corresponds with adopted Policy CS06 - Development in Rural Areas, no significant change identified.
LP29 Housing for the Elderly and Specialist Care	Establishes criteria that elderly/specialist care housing will be required to meet. The policy seeks to prioritise such development in certain geographic areas which are considered to be more suitable than others (based upon the Settlement Hierarchy).

## Policy

### LP30 Adaptable and Accessible Homes

## Provisions

Establishes the following criteria to ensure that all new homes are 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:

- 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).

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

## Quantity of housing to provide

46. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period. In the emerging Local Plan review submission document, King's Lynn & West Norfolk indicate that there is no absolute need for further allocations to meet the borough's Local Housing Need (LHN). As such, the borough will not seek to make specific allocations for those areas with or preparing a Neighbourhood Plan within the Local Plan review.
47. Rather than being provided with a specific number of new homes, Neighbourhood Plans will have the ability to assess sites within their Area and make appropriate land use allocations providing that this isn't at a scale which could impact negatively upon the strategic direction of growth established through the Local Plan review.
48. The question of how many houses to plan for is outside the scope of this Housing Needs Assessment, as discussed and agreed with the Parish Council. The issue of quantity has been excluded from the Research Questions (see Chapter 3). Therefore, discussion has not been provided in this assessment on the overall quantity of homes to be delivered and conclusions drawn on what tenure and type or size of dwelling required can be used as a basis for housing policy in the Neighbourhood Plan, which any planning application would be required to conform with.

## 3. Approach

### Research Questions

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

### Tenure and Affordability

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

***RQ 1: What Affordable Housing (e.g. 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?***

### Type and Size

52. The parish council is seeking to determine what size and type of housing would be best suited to the local community.
53. This research question aims to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
54. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
55. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Relevant Data

56. 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 a range of other data sources, including:
- Census 2011 and Census 2021 (the latter only available at the local authority level at present)
  - Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
  - 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 Rightmove.co.uk;
  - Local Authority housing waiting list and completions data; and
  - The King's Lynn & West Norfolk HNA (Published March 2020).
57. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up-to-date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

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

***RQ1: 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

58. 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.
59. 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.
60. 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. The NPPF defines Affordable Housing as *'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'*<sup>4</sup>. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

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<sup>4</sup> Available here -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

**Table 4-1 Breakdown of Affordable Housing tenures**

<b>Tenure</b>	<b>Rent/Ownership</b>	<b>Brief Description</b>
<b>Social Rent</b>	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
<b>Affordable Rent</b>	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
<b>Rent to Buy</b>	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
<b>Shared Ownership</b>	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
<b>First Homes</b>	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

61. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.<sup>5</sup> 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:

<sup>5</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- 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;
- 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

62. 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.
63. Table 4-2 presents data on tenure in Walpole Cross Keys compared with King's Lynn and West Norfolk and England from the 2011 Census, which is the most recent available source of this information.
64. Walpole Cross Keys is characterised by a very high proportion of home ownership compared to the borough and national levels. The NA has significantly lower proportions of private and social rented properties compared to both geographies, whilst shared ownership was non-existent in 2011.
65. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is

interesting to observe the change recorded between the 2001 and 2011 Census: in Walpole Cross Keys the private rented sector expanded by 100%, this was higher than the growth at the borough (96.2%) and national level (82.4%). There was a more modest growth in the owned sector which increased by 3.2% Walpole Cross Keys, compared to a 4.9% increase across the borough and a 0.9% decline at the national level. There was a significant decline in the social rented sector which fell by 31.3% in Walpole Cross Keys, compared to smaller decreases across King's Lynn and West Norfolk (-2.6%) and England (-0.9%).

66. Completions data from 2012 to 2022 shows the development of 42 dwellings (net). Of these, five were delivered as Affordable Housing, comprising two shared ownership units and three affordable rented units.

**Table 4-2 Tenure (households) in Walpole Cross Keys, 2011**

Tenure	Walpole Cross Keys	King's Lynn and West Norfolk	England
Owned	85.6%	69.4%	63.3%
Shared ownership	0.0%	0.4%	0.8%
Social rented	5.9%	13.3%	17.7%
Private rented	6.4%	14.7%	16.8%

Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

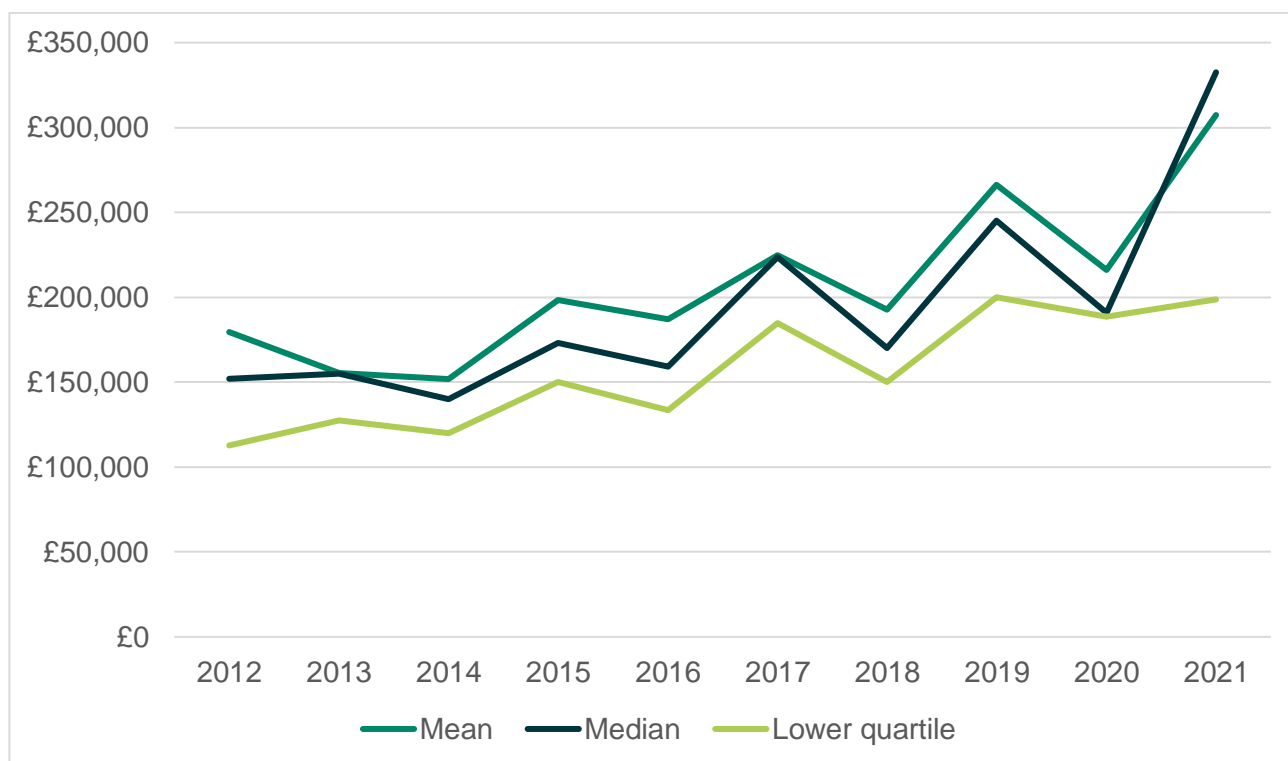
67. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over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

68. Figure 4-1 looks at the average and lower quartile house prices in Walpole Cross Keys based on sales price data published by the Land Registry. It shows that there has been an overall increase in house prices, despite year-on-year fluctuations. The mean, which captures the average of all house prices, both high and low, generally remains higher than the median which is the middle number when the data is sorted from smallest to largest. Although in the years 2013, 2017 and 2021, the median price is similar to or greater than the mean price, this is likely a result of the small sample size and a few outlying transactions on the low end. By definition, the lower quartile price, which represents the bottom 25% value of all properties sold, remains lower than both the median and mean prices.

69. The median house price experienced the greatest growth over this period, increasing by 118.6% from £152,000 in 2012 to £332,500 in 2021. The lower quartile price increased from £112,750 in 2012 to £198,750 in 2021, indicating 76.3% growth. Mean price growth was lower at 71.3%, increasing from £179,375 in 2012 to £307,340 in 2021.



**Figure 4-1 House prices by quartile in Walpole Cross Keys, 2012-2021**



Source: Land Registry PPD

70. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that detached dwellings (on average the most expensive dwelling type) experienced the greatest level of growth at 102.7%. Terraced houses experienced the next highest growth at 63.6%, followed by semi-detached dwellings with a growth of 44.2%. Note, there were no transactions recorded across 2012 and 2021 for flats, this is unsurprising, as Chapter 5 highlights this housing type is uncommon within the NA.

71. Table 4-3 shows there is some fluctuation in prices each year, especially year to year for semi-detached dwellings, likely because of factors such as the location, size, or condition of the property. The highest price for detached houses was recorded in 2021 at £375,000, compared to semi-detached in 2019 at £200,000 and terraced in 2020 at £185,000.

**Table 4-3 Median house prices by type in Walpole Cross Keys, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£185,000	£155,000	£185,000	£182,000	£219,000	£255,000	£358,750	£361,500	£347,500	£375,000	102.7%
Semi-detached	£130,000	£157,500	£135,000	£155,000	£154,000	£185,000	£169,995	£200,000	£190,000	£187,498	44.2%
Terraced	£110,000	-	£120,000	-	-	£128,000	£165,000	£170,000	£185,000	£180,000	63.6%
Flats	-	-	-	-	-	-	-	-	-	-	-
<b>All Types</b>	<b>£152,000</b>	<b>£155,000</b>	<b>£140,000</b>	<b>£173,000</b>	<b>£159,000</b>	<b>£223,750</b>	<b>£170,000</b>	<b>£245,000</b>	<b>£191,000</b>	<b>£332,500</b>	<b>118.8%</b>

Source: Land Registry PPD

## Income

72. 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.
73. 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 locally was £40,400 in 2018. A map of the area to which this data applies is provided in Appendix A.
74. 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 two or more people are earning. King's Lynn and 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.
75. 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

76. 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.
77. AECOM has determined thresholds for the income required in Walpole Cross Keys 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.
78. 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. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
79. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual-earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

80. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
81. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.
82. Table 4-4 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.
83. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-4 Affordability Thresholds (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
<b>Market Housing</b>						
Median House Price	£299,250	-	£85,500	No	No	No
Estimated NA New Build Entry-Level House Price	£232,542	-	£66,441	No	No	No
LQ/Entry-level House Price	£178,875	-	£51,107	No	No	No
LA New Build Median House Price	£292,500	-	£83,571	No	No	No
Average Market Rent	-	£10,032	£33,440	Yes	No	No
Entry-level Market Rent	-	£8,028	£26,760	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£162,780	-	£46,508	No	No	No
First Homes (-40%)	£139,525	-	£39,864	Yes	No	No
First Homes (-50%)	£116,271	-	£33,220	Yes	No	No
Shared Ownership (50%)	£116,271	£3,230	£43,986	No	No	No
Shared Ownership (25%)	£58,136	£4,845	£32,759	Yes	No	No
Shared Ownership (10%)	£23,254	£5,814	£26,023	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,376	£17,901	Yes	No	Yes
Social Rent	-	£4,323	£14,395	Yes	No	Yes

Source: AECOM Calculations

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

### **Market housing for purchase and rent**

85. 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 111.6% higher than the current average.

86. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners can only afford the given rental thresholds for entry-level market rents. 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**

87. There is a relatively large group of households in Walpole Cross Keys who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £26,760 per year (at which point entry-level rents become affordable) and £51,107 (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.

88. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

89. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. First Home discounts of 50% with a purchase threshold of £33,220 appear most effective at bringing new entry-level homes within reach of the average earning household (£40,400), whilst the average income is only marginally higher than the purchase threshold for a 40% discount (£39,864). For lower quartile earners to be able to access discounted market sales, a discount of well over 50% would be required.

90. Whilst First Homes at 50% discount are the most affordable, they may be unviable to develop as the discount price is close to the build cost (see calculations in Appendix A). Therefore, it is recommended that any future First Homes in Walpole Cross Keys are delivered at a 40% discount, as this level of discount appears to extend homeownership

to the widest proportion of the population, whilst also potentially remaining viable (to be confirmed).

91. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate 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. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single earner	LQ	Dual earning household	LQ
NA Median House Price	53%	84%		68%	
NA Estimated New Build Entry-Level House Price	39%	79%		58%	
NA Entry-Level House Price	21%	73%		46%	
LA Median New Build House Price	52%	83%		67%	

Source: Land Registry PPD; ONS MSOA total household income

92. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups, with the exception of shared ownership at 10% equity which extends accessibility to households with two lower quartile earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>6</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
93. 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.
94. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market

<sup>6</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

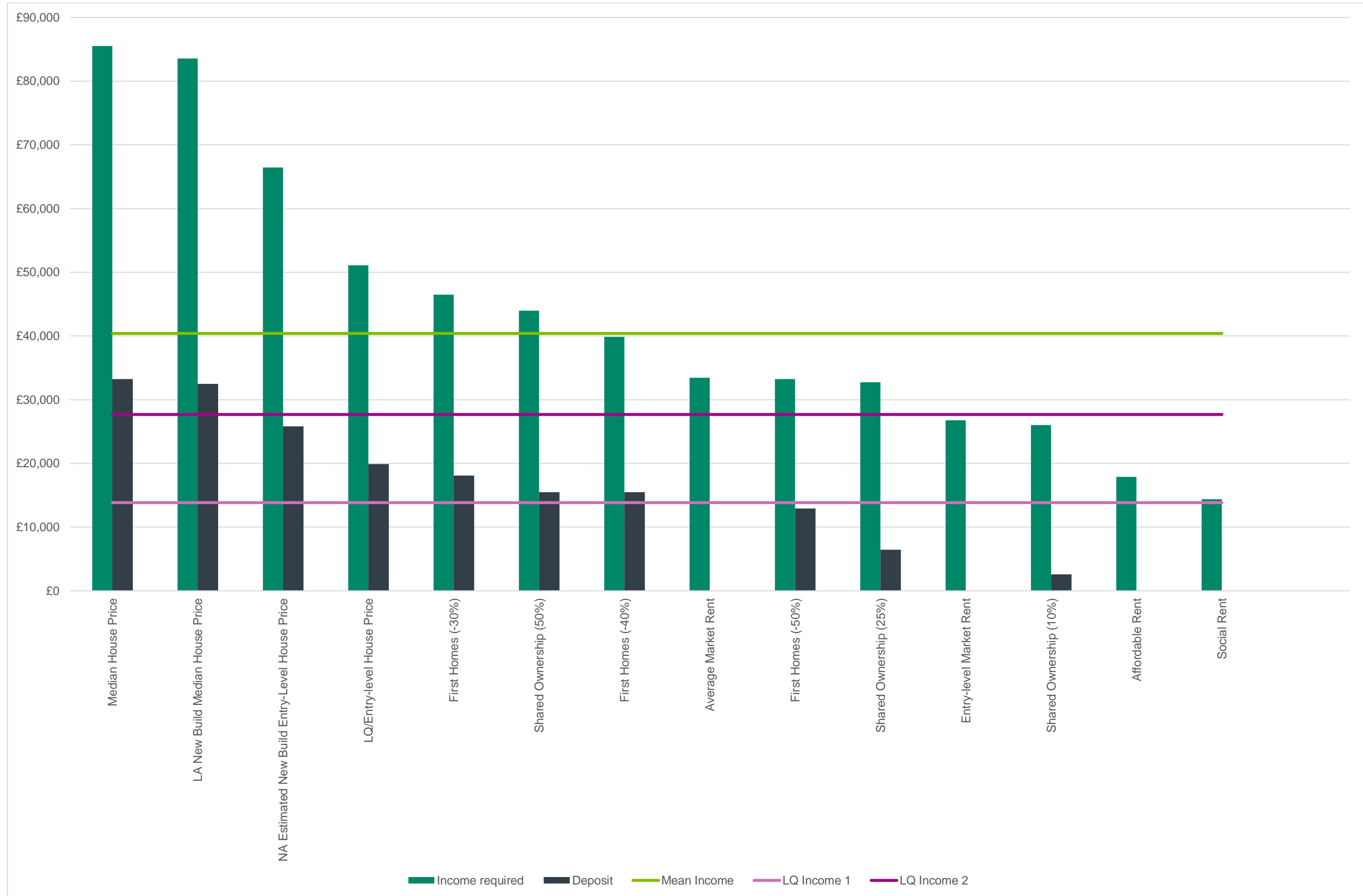
rents (i.e. £33,44) On that basis, Rent to Buy can be considered comparable in terms of affordability with First Homes at 50% discount (£33,220) and shared ownership at 25% equity (£32,759).

95. 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.
  - 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 funds that can provide an eventual route to ownership than the other tenures discussed above.
96. 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 may provide a better long-term investment to those who can afford to access it.

### **Affordable rented housing**

97. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered except the smallest (one-bedroom) socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
98. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Walpole Cross Keys 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 means 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 Walpole Cross Keys, income required (additional cost of deposit in black)**

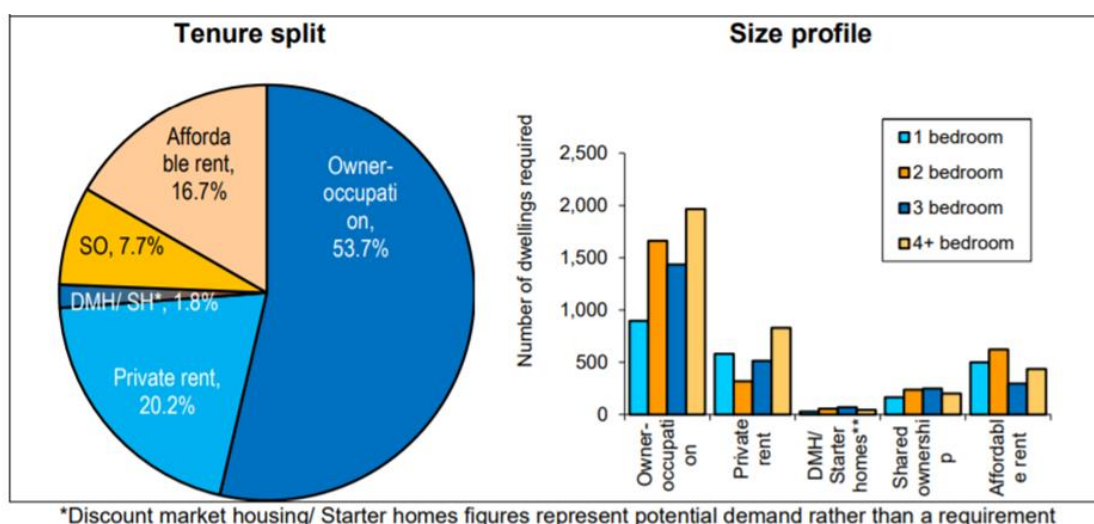


Source: AECOM Calculations

## Affordable housing- quantity needed

99. The starting point for understanding the need for affordable housing in Walpole Cross Keys is the relevant Local Housing Need Assessment (LHNA). The King’s Lynn & West Norfolk HNA (published March 2020) estimates the need for affordable housing in the District based on analysis of the Council’s housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 202 additional affordable homes each year in King’s Lynn & West Norfolk as a whole. The LHNA doesn’t provide a specific tenure mix for these 202 affordable homes, instead a suggested tenure requirement is provided for all new housing in King’s Lynn & West Norfolk over the plan period (see Figure 4-3). The requirement for 16.7% of housing to be Affordable Rented and 9.5% affordable home ownership (of which 7.7% could be Shared Ownership and 1.8% discount market housing/ Starter Homes) is considered to reflect the mix of housing that would best address the needs of the local population.

**Figure 4-3 Requirement for all new housing in King’s Lynn & West Norfolk over the plan period (Replicated from King’s Lynn & West Norfolk HNA – Figure 7.1)**



100. When the overall LHNA figures are pro-rated to Walpole Cross Keys based on its fair share of the population (0.35% of the LPA’s population<sup>7</sup>), this equates to approximately 0.71 homes per annum or approximately 11 homes (10.6 rounded) over the Neighbourhood Plan period (2021-2036).

101. Table 4-6 extrapolates the LHNA’s affordable housing tenure split to provide a specific tenure split which can be applied to the overall affordable housing figure (i.e. 11 dwellings). Based on this proportional calculation, affordable housing should be split approximately 64% rented to 36% ownership.

<sup>7</sup> Based on Census 2011 data



**Table 4-6 Estimate of affordable housing need in Walpole Cross Keys**

<b>Tenure/Product</b>	<b>LHNA Suggested Tenure Split</b>	<b>Proportional Affordable Tenure Split</b>	<b>NA Affordable Dwelling Need Per Annum</b>	<b>Total NA Affordable Dwelling Need Over Plan Period</b>
<b>Affordable Home Ownership</b>	<b>9.5%</b>	<b>36.3%</b>	<b>0.26</b>	<b>3.86</b>
Shared Ownership	7.7%	29.4%	0.21	3.13
Discount market housing/ Starter Homes	1.8%	6.9%	0.05	0.73
<b>Affordable Rented</b>	<b>16.7%</b>	<b>63.7%</b>	<b>0.45</b>	<b>6.78</b>
<b>Total</b>	<b>26.2%</b>	<b>100.0%</b>	<b>0.71</b>	<b>10.64</b>

Source: AECOM Calculations

102. 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 Walpole Cross Keys 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 Walpole Cross Keys.

103. As the LHNA doesn't provide separate calculations for the quantity of affordable rented/ownership homes, AECOM have also undertaken calculations to determine the quantity of Affordable Housing need in the NA. The methodology and results are outlined below.

104. In Table 4-7 we have calculated, using PPG as a starting point,<sup>8</sup> an estimate of the total need for affordable rented housing in Walpole Cross Keys over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

105. It should also be noted that figures in Table 4-7 are largely dependent on information provided by King's Lynn and West Norfolk Borough Council in its capacity as manager of the local housing waiting list. The Council indicated that

<sup>8</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

there are two households on the Housing Register for Walpole Cross Keys, one requiring a two-bed dwelling and the other requiring a three-bed dwelling.

106. Reflecting the housing register data, the table shows that there are currently about two households in Walpole Cross Keys unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 1.2 additional households in the Neighbourhood Area will fall into need, producing a total need for -0.1 social/affordable rented dwellings per annum, or -2.1 dwellings over the plan period after supply through vacancies is taken into account.
107. This result may initially be surprising since there is understood to be a current backlog of need (in the region of two households). The reason for the affordable rented housing need being met over the long-term with the presumed existing stock, is that model uses an estimated rate of turnover of stock of 3% (which may in practice be lower in the NA). Therefore, of the 11.7 units of affordable rented accommodation existing currently, it can be expected that around 0.4 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the plan period to produce an annualised figure.
108. An important caveat to this finding is that there are almost certainly households currently in need in the NA, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten years time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
109. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household's worth of need, since the unit might have one bedroom while the applicant household might require three bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
110. As such, it is recommended that Walpole Cross Keys considers encouraging the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in the borough.

**Table 4-7 Estimate of need for Affordable Housing for rent in Walpole Cross Keys**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	2.0	Walpole Cross Keys Housing Register (August 2022)
1.2 Per annum	<b>0.1</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	13.5	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	8.8%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	11.7	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	3.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	1.2	Step 2.1 x Step 2.2.
2.4 Per annum	<b>0.1</b>	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	<b>0.4</b>	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SURPLUS OF RENTED UNITS PER ANNUM</b>		
Overall surplus per annum	<b>-0.1</b>	Step 1.2 + Step 2.4 - Step 3.2
Overall surplus over the plan period	<b>-2.1</b>	(Step 1.1 + Step 2.3) – Step 3.2 * plan period

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

111. Turning now to Affordable Housing providing a route to home ownership, Table 4-8 estimates the potential demand in Walpole Cross Keys. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at the Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

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

(typically 80% or more) aspire to home ownership.<sup>9</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

113. The result of the calculation is 0.5 households per annum who may be interested in affordable home ownership (or 7.8 for the entirety of the Plan period).
114. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
115. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

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<sup>9</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-8 Estimate of the potential demand for affordable housing for sale in Walpole Cross Keys**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	14.6	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	22.7%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	3.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	8.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>10</sup>
1.5 Per annum	<b>0.6</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	13.5	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	4.4%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	0.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.0</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	2	Number of shared ownership homes in parish, source: King's Lynn and West Norfolk Borough Council (August 2022)
3.2 Supply - intermediate resales	0.1	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>0.5</b>	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall (or surplus) over the plan period	<b>7.8</b>	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

116. 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

<sup>10</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

117. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.
118. The LHNA-based calculations estimates that Walpole Cross Keys requires approximately 11 affordable dwellings over the Plan period. Extrapolating the LHNA's overall housing tenure split suggests affordable housing should be split approximately 64% rented to 36% ownership, equalling 7 units of affordable rented housing and 4 units of affordable home ownership over the Plan period. A tenure split of 64% to 36% may be an appropriate affordable tenure mix if the quantity of new housing overall were unlimited, however, this is not likely and also not strictly necessary. In contrast, AECOM's calculations suggest that Walpole Cross Keys has sufficient affordable rented housing and that approximately 8 (7.8 rounded) units of affordable home ownership over the Plan period.
119. These calculations provide the following ranges for affordable housing delivery in the NA:
  - between 4 and 8 affordable ownership dwellings, and
  - up to 7 affordable rented dwellings.
120. In the next section of the report we have decided to take forward AECOM's calculation to provide further commentary on Affordable Housing need in the NA. This is because the LHNA-based calculation relies on pro-rating and extrapolating district levels, which may overestimate the housing need in a rural area such as Walpole Cross Keys.

## **Affordable Housing policy guidance**

121. King's Lynn and West Norfolk's adopted Policy CS09 and emerging Policy LP28 require 20% of all new housing to be affordable. As there is no overall housing requirement for Walpole Cross Keys it is difficult to estimate the extent to which new affordable housing might come forward on development sites through the application of affordable housing policies and it is possible that infill sites will comprise of fewer than 5 dwellings, the threshold at which the Affordable Housing policies apply.
122. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
123. 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 in the Local Plan

(70:30). 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 Walpole Cross Keys specifically.

124. 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 Walpole Cross Keys has sufficient affordable rented housing and requires approximately 8 (7.8 rounded) units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 100% of Affordable Housing should offer a route to ownership. However, as noted above, need associated with Affordable Housing for rent and Affordable Housing for ownership 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 tenure mix would therefore not be appropriate for future Affordable Housing, especially when taking into consideration the current backlog of need for rented homes.

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.

As established in the emerging Local Plan, Walpole Cross Keys does not have a housing requirement given its rural setting. This means that any development is likely to be small scale and limited in its delivery of affordable housing.

This suggests some form of prioritisation will be required. It is recommended that affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority, despite the slight surplus identified in AECOM's calculations over the plan period. The 70% rented 30% ownership guideline mix in the Local Plan appears to offer an appropriate benchmark.

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 and West Norfolk, where 20% of all housing should be affordable, 50% of Affordable Housing should be for affordable ownership. The guideline tenure split sought in the Local Plan (see D below) is not in compliance with this requirement.

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

- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 70% rented to 30% ownership.
- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This would not be the case across King's Lynn & West Norfolk as the Local Plan seeks 70% affordable rented.

National policy dictates that 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 relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in King's Lynn & West Norfolk, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.



- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Walpole Cross Keys:** As per the evidence presented in this chapter, Walpole Cross Keys has limited shared ownership tenure and significantly lower rates of social rents than the wider borough and country. 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 Walpole Cross Keys and/or the wider borough. 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.
125. Based on the considerations above, Table 4-9 proposes an indicative Affordable Housing tenure mix that might be sought through the Neighbourhood Plan policy.
126. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. The Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark. This split can facilitate the 25% requirement for First Homes dictated by national policy, but would fail to meet the national policy requiring 10% of all homes to be delivered for affordable home ownership. As noted previously, there can be exceptions to this requirement if it prevented the delivery of social/affordable rented homes.
127. It's recommended that 25% of the affordable home provision be delivered as First Homes (in line with the 25% of developer-led Affordable Housing national requirement). It is suggested that First Homes are delivered at a 40% discount, making the product just affordable to households on mean incomes. Any further discount would likely present viability challenges. In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership, with this product at 10% equity extending home ownership further than First Homes. Rent to Buy does not feature in the recommended mix as it is less affordable than shared ownership at lower equity levels.

128. 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.

129. 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 and West Norfolk to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

130. 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 based on site-by-site circumstances in addition to this evidence.

**Table 4-9 Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>30%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>70%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

131. At the time of the 2011 Census, Walpole Cross Keys was characterised by a very high proportion of home ownership compared to the borough and national levels. The NA had significantly lower proportions of private and social rented properties compared to both geographies, whilst shared ownership dwellings were non-existent. Completions data from 2012 to 2022 indicates the development of 42 dwellings (net). Of these, five were delivered as Affordable Housing, comprising two shared ownership units and three affordable rented units.
132. There has been an overall increase in house prices between 2012 and 2021, despite year-on-year fluctuations. The median house price experienced the greatest growth over this period, increasing by 118.6% from £152,000 in 2012 to £332,500 in 2021. The lower quartile price increased from £112,750 in 2012 to £198,750 in 2021, indicating 76.3% growth. Detached dwellings experienced the greatest growth, followed by terraced dwellings and semi-detached dwellings. There were no transactions recorded for flats across 2012 and 2021.
133. Households on average incomes (£40,400) cannot access median or entry-level homes market homes. Private renting is generally only accessible to those on average incomes. Therefore, Rent to Buy may be a viable route to affordable home ownership for those earning average incomes but with low savings for a deposit, although this is likely to be out of reach for those on lower incomes.
134. The income required to afford First Homes has been tested against the implications of 30%, 40% and 50% discount levels. Whilst First Homes at 50% discount are the most affordable, they may be unviable to develop as the discount price is close to the build costs. It is therefore recommended that any future First Homes in Walpole Cross Keys are delivered at a 40% discount. This level of discount appears to extend homeownership to the widest proportion of the population, whilst also remaining viable.
135. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. While the income threshold for a 10% equity shared ownership home may be within the reach of lower quartile earners, 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.
136. Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Walpole Cross Keys, who can afford few other options.
137. Calculations based on LHNA figures suggests that Walpole Cross Keys requires approximately 7 units of affordable rented housing and 4 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes. The relationship between these figures suggests that 64% of

Affordable Housing should be rented and 36% should offer a route to ownership.

138. In addition to this, AECOM's calculations suggest that Walpole Cross Keys has sufficient affordable rented housing and requires approximately 8 units of affordable home ownership over the Plan period.
139. These calculations provide the following ranges for affordable housing delivery in the NA:
- between 4 and 8 affordable ownership dwellings, and
  - up to 7 affordable rented dwellings.
140. AECOM's calculation is considered a more accurate reflection of the affordable housing need in the NA as the LHNA-based calculation relies on pro-rating and extrapolating district levels, which may overestimate the housing need in a rural area such as Walpole Cross Keys.
141. As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited.
142. AECOM recommends that an appropriate balance between affordable rented tenures and affordable home ownership within the Affordable Housing that comes forward on mainstream development sites would be 70% rent to 30% ownership. This complies with the emerging Local Plan guideline mix of 70% rented to 30%.
143. In line with national policy requirements, it's recommended that First Homes make up 25% of the affordable home provision. It is suggested that First Homes are delivered at a 40% discount, making the product just affordable to households on mean incomes. Any further discount would likely present viability challenges. It is recommended that shared ownership be allocated 5% of the affordable home provision, with this product at 10% equity extending home ownership further than First Homes. Rent to Buy does not feature in the recommended mix as it less affordable than shared ownership at lower equity levels.

## 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

144. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Walpole Cross Keys 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.
145. 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 evidence in this section, particularly the indicative 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

146. 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.
147. This study is concerned primarily with need rather than demand. The 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.
148. 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.
149. 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.

150. 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 Walpole Cross Keys, Valuation Office Agency (VOA) has been used to update the type and size mix of housing in the NA as King's Lynn and West Norfolk were unable to provide a complete breakdown within the completions data.

151. The VOA counts the stock of properties according to council tax banding and other measures in various areas. However, this data is only provided for Lower Layer Super Output Areas (LSOAs) and their higher-scale equivalents (MSOAs – Medium Super Output Areas). It is not possible to fully replicate the NA boundary using MSOAs or LSOAs, so the following data relates to LSOA E01026719 (see Figure 5-1). This covers a larger area than the Plan area itself but for comparison purposes can be used as a reasonable proxy for Walpole Cross Keys.

**Figure 5-1 LSOA E01026719 used as a best-fit**



Source: ONS

## Dwelling type

152. The 2011 Census shows Walpole Cross Keys residents occupied 108 detached houses, 71 semi-detached, 14 terraced houses, and 2 flats.
153. In 2011, Walpole Cross Keys had a higher proportion of detached properties compared to King's Lynn and West Norfolk, with the levels at both geographies significantly exceeding the national level for this house type. The NA also had a higher proportion of semi-detached properties and a lower proportion of terraced units compared to King's Lynn and West Norfolk. Finally, Walpole Cross Keys had a lower proportion of flats compared to the borough, both remaining significantly below the national level for this house type.

**Table 5-1 Accommodation type, Walpole Cross Keys, 2011**

Dwelling type		Walpole Cross Keys	King's Lynn and West Norfolk	England
Whole house or bungalow	Detached	55.4%	41.6%	22.4%
	Semi-detached	36.4%	28.7%	31.2%
	Terraced	7.2%	14.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.0%	7.1%	16.4%
	Parts of a converted or shared house	0.5%	1.3%	3.8%
	In commercial building	0.5%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

154. The 2021 Census will provide an up-to-date picture of the current dwelling stock in Walpole Cross Keys when the results are released in the coming months. In the meantime, we can turn to other sources, such as VOA.
155. Census 2011 data is presented in Table 5-2, alongside the VOA figures (which counts the stock of properties according to council tax banding). Unfortunately, this cannot be used to fully understand the changes between 2011 and 2021 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties), and because the VOA data relates to a slightly larger proxy area.
156. In 2021, 26.2% of dwellings were bungalows, this is roughly in line with the decline in detached and semi-detached dwellings. Despite the apparent significant decline, detached dwellings were still the dominant type in 2021, at 35.9% of dwellings. Combined, semi-detached and bungalows comprise just over half of all dwellings, whilst the proportion of terraced units remains comparability low. The VOA figures show there is no provision of flats in 2021, although it's worth noting this data may have been rounded down to 0

**Table 5-2 Accommodation type, Walpole Cross Keys, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	26.2%
Flat	1.0%	0.0%
Terrace	7.2%	4.9%
Semi-detached	36.4%	26.2%
Detached	55.4%	35.9%
Unknown/other	-	6.8%

Source: ONS 2011, VOA 2021, AECOM Calculations

157. It is helpful to compare the NA dwelling mix (using VOA proxy) with the wider borough and the country. The data in Table 5-3 below shows that Walpole Cross Keys has a comparatively high proportion of bungalows (on par with the borough) compared to the national average. Although it is not necessarily a given that bungalows are completely accessible (e.g. for an occupant using a wheelchair), the availability of bungalows may represent an appealing offering for older people and those with mobility challenges.

158. Walpole Cross Keys has significantly lower proportions of flats and terraces compared to the borough and higher proportions of detached and semi-detached homes. Flats and terraces are generally the most affordable home types. The underrepresentation of these types might be expected to limit the options for local people on lower incomes, particularly growing families or downsizers or simply those who cannot afford the majority of the options currently available.

**Table 5-3 Accommodation type, various geographies, 2021**

Dwelling type	Walpole Cross Keys	King's Lynn and West Norfolk	England
Bungalow	26.2%	27.4%	9.2%
Flat	0.0%	9.4%	23.7%
Terrace	4.9%	16.8%	26.1%
Semi-detached	26.2%	21.9%	23.7%
Detached	35.9%	21.6%	15.8%
Unknown/other	6.8%	3.0%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

159. Table 5-4 sets out the change in the mix of housing by the number of bedrooms in Walpole Cross Keys, comparing the 2011 Census mix to 2021 VOA data. In 2011, the majority of Walpole Cross Keys were three-bedroom, at 46.8% of the total, followed by four-bedroom at 23.4% and two-bedroom at 20.7% of all dwellings. There were very few smaller one-bedroom dwellings and large five+ bedroom dwellings.

160. Looking to 2021, the table appears to show a significant increase in three-bedroom properties and a decrease in all other sized dwellings. The figures suggest that three-bedroom dwellings represent more than half of all dwellings



in Walpole Cross Keys, this suggests that new development has been weighted towards three-bedroom dwellings.

**Table 5-4 Dwelling size (bedrooms), Walpole Cross Keys, 2011 and 2021**

<b>Number of Bedrooms</b>	<b>2011 Census</b>	<b>2021 VOA</b>
1	4.8%	3.1%
2	20.7%	15.6%
3	46.8%	60.4%
4	23.4%	17.7%
5+	4.3%	3.1%

Source: ONS 2011, VOA 2021, AECOM Calculations

161. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. VOA data has been used for Walpole Cross Keys for consistency in the comparison with King's Lynn and West Norfolk and England. Table 5-5 shows that Walpole Cross Keys has a particularly high share of three-bedroom homes. The NA has lower proportions in the one- and two- bedroom categories compared to the borough and country. The NA has a higher proportion of four-bedroom dwellings, whilst the proportion of five+ bedroom dwellings is relatively consistent across all three geographies.

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

<b>Number of bedrooms</b>	<b>Walpole Cross Keys</b>	<b>King's Lynn and West Norfolk</b>	<b>England</b>
1	3.1%	7.5%	12.6%
2	15.6%	30.4%	28.4%
3	60.4%	44.3%	43.0%
4	17.7%	14.3%	12.1%
5+	3.1%	3.3%	3.3%
Unknown	0.0%	0.2%	0.6%

Source: VOA 2021, AECOM Calculations

## Age and household composition

162. Having established the current stock profile of Walpole Cross Keys 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

163. Table 5-6 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The 45-64 age group represented the largest single age group in Walpole Cross Keys across 2011 and 2020. The largest proportional change is seen in the 85 and over age band, which increased by 42.9%. The largest growth in actual numbers is in the 65-84 age group (representing a 20.7% increase). The 0-15 and 16-24 age groups experienced modest growth, contrasting a decline in the subsequent 25-44 age group.

164. 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.
165. 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.

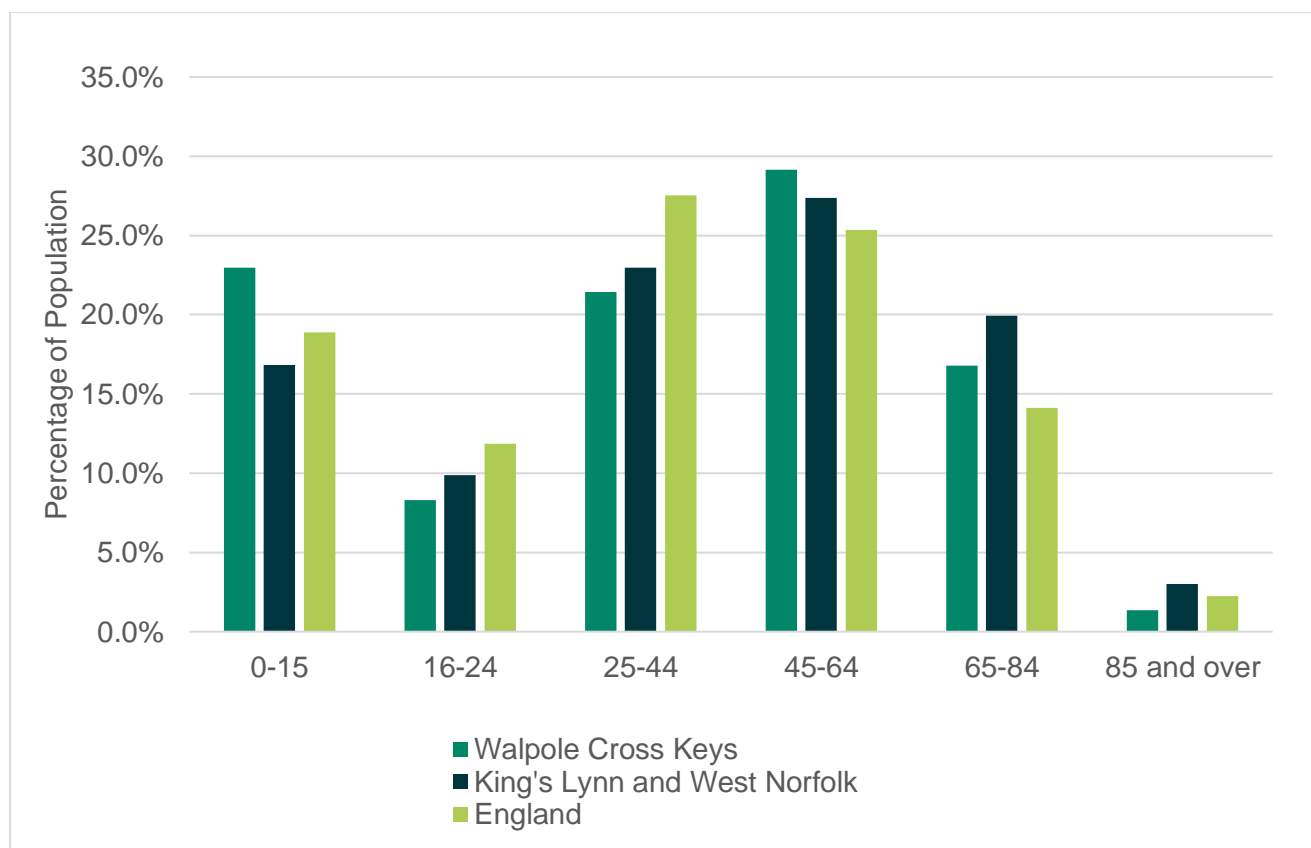
**Table 5-6 Age structure of Walpole Cross Keys population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)		Rate of Change
	Pop.	%	Pop.	%	%
0-15	119	<b>23.0%</b>	120	<b>21.8%</b>	<b>0.8%</b>
16-24	43	<b>8.3%</b>	48	<b>8.7%</b>	<b>11.6%</b>
25-44	111	<b>21.4%</b>	108	<b>19.6%</b>	<b>-2.7%</b>
45-64	151	<b>29.2%</b>	159	<b>28.9%</b>	<b>5.3%</b>
65-84	87	<b>16.8%</b>	105	<b>19.1%</b>	<b>20.7%</b>
85 and over	7	<b>1.4%</b>	10	<b>1.8%</b>	<b>42.9%</b>
Total	518	<b>100.0%</b>	550	<b>100.0%</b>	<b>6.2%</b>

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

166. Data from the 2021 Census has begun to be released, with current information limited to population statistics at the national and local authority level. It is currently not expected that this data at a parish level will be released until 2023. However, the local authority level data can provide some insight into how Walpole Cross Keys has changed over the last decade. The mid-2020 population estimates for Walpole Cross Keys show that the population in the NA is expected to have grown by 6.2% between 2011 and 2020 whilst 2021 Census data shows that the King's Lynn and West Norfolk population grew by 4.6% between 2011 and 2021. This indicates that Walpole Cross Keys has a more rapidly growing population than the wider local authority area, or that the population estimates were overly optimistic.
167. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-2 (using 2011 Census data) shows that the NA has a significantly higher proportion of people in the 0-15 age category than seen at the borough or national level. Walpole Cross Keys also has a higher proportion in the 45-64 group compared to the borough and national averages.
168. Though the NA's older population is currently smaller than those higher geographies, as the 45-64 group ages over the Plan period to 2036, it is likely that the NA will require smaller dwellings better suited to couples and single persons.

**Figure 5-2 Age structure in Walpole Cross Keys, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

169. Household composition data from the 2021 Census has been released for parishes and presented in Table 5-7. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-7 shows that Walpole Cross Keys had a lower proportion of single person households and a higher proportion of family households when compared to the wider borough. Those aged 66 and over are more likely to be living as a family unit in Walpole Cross Keys, opposed to within a single person household which is more common across the wider borough and nation.
170. In Walpole Cross Keys the proportion of families with no children (26.4%) is roughly equal to the level of families with dependent children (27.8%), contrasting the wider borough and nation averages which lean more towards families with dependent children. This could be indicative of an aging population, and potentially due to affordability challenges pricing young families out of the NA.
171. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. The proportion of non-dependent children is relatively consistent across the NA and the Borough in 2021, both lower than the national average. A marked increase in this category can be

taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category declined by 7.1% between 2011 and 2021 in the parish – contrasting a growth across the borough (17.6%) and England (16.7%).

**Table 5-7 Household composition, Walpole Cross Keys, 2021**

Household composition		Walpole Cross Keys	King's Lynn and West Norfolk	England
<b>One person household</b>	<b>Total</b>	<b>18.1%</b>	<b>29.4%</b>	<b>30.1%</b>
	Aged 66 and over	7.9%	15.8%	12.8%
	Other	10.1%	13.6%	17.3%
<b>One family only</b>	<b>Total</b>	<b>75.3%</b>	<b>65.4%</b>	<b>63.0%</b>
	All aged 66 and over	11.5%	13.8%	9.2%
	With no children	26.4%	19.3%	16.8%
	With dependent children	27.8%	22.0%	25.8%
	With non-dependent children <sup>11</sup>	9.7%	9.8%	10.5%
	Other	0.0%	0.5%	0.8%
<b>Other household types</b>	<b>Total</b>	<b>6.6%</b>	<b>5.2%</b>	<b>6.9%</b>

Source: ONS 2021, AECOM Calculations

## Occupancy ratings

172. 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.

173. Under-occupancy is relatively common in Walpole Cross Keys, with 81.9% of households living in a dwelling with at least one extra bedroom. This is most common in two household types: families aged 65+ and families under 65 with no children: Under-occupancy occurs in 100% of households with families aged 65+ and 81.8% of households with families under 65 with no children. This suggests that larger housing in Walpole Cross Keys is occupied by people with the most wealth or by older persons that have been unable (or unwilling) to downsize as opposed to households with the most family members. There is

<sup>11</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

also some over-occupancy, with 3.8% of households with dependent children living in dwellings with too few bedrooms. Around 15.4% of households in the NA live in a dwelling with the expected number of bedrooms based on their household size.

**Table 5-8 Occupancy rating by age in Walpole Cross Keys, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	71.0%	29.0%	0.0%	0.0%
Single person 65+	45.5%	36.4%	18.2%	0.0%
Family under 65 - no children	68.3%	26.8%	4.9%	0.0%
Family under 65 - dependent children	17.3%	50.0%	28.8%	3.8%
Family under 65 - adult children	21.7%	69.6%	8.7%	0.0%
Single person under 65	31.3%	37.5%	31.3%	0.0%
All households	42.0%	39.9%	15.4%	2.7%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Indicative future dwelling size mix

174. 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 Walpole Cross Keys 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 one-bedroom homes as opposed to two-, three- or four- 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 the 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.

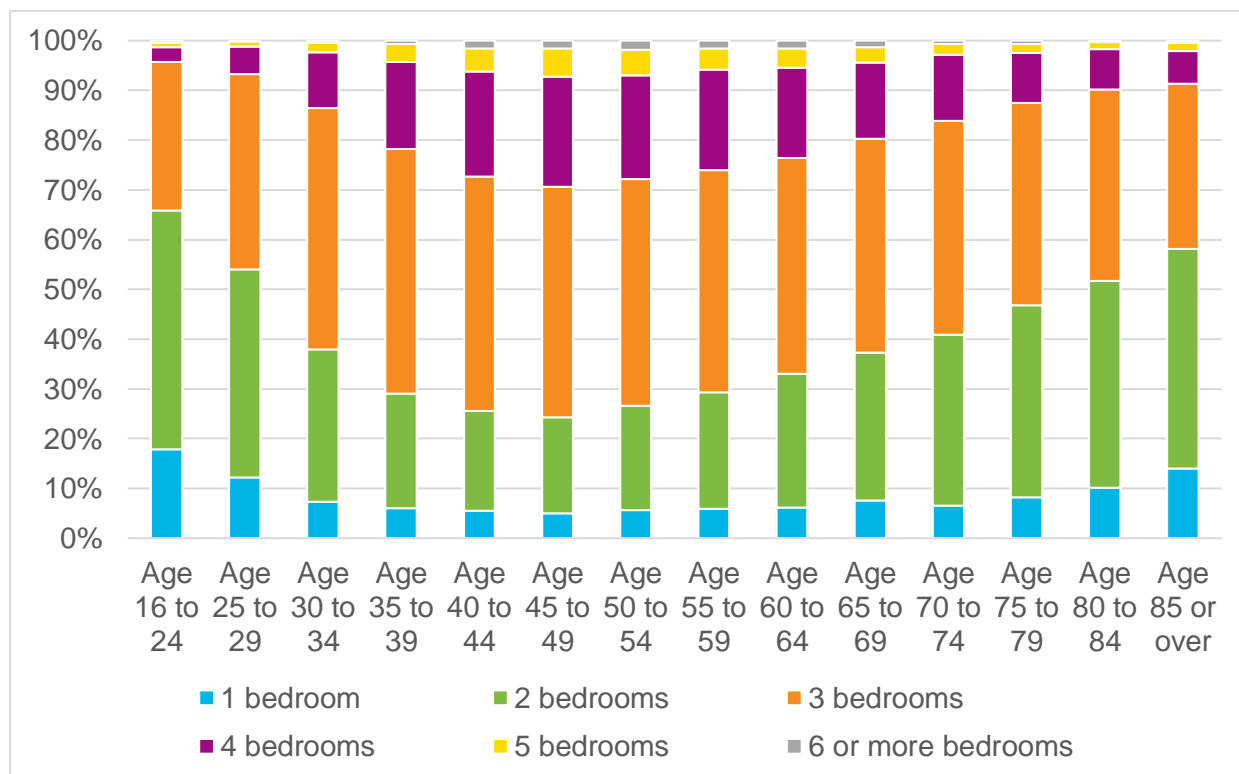
175. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more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

176. 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.

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

178. The first, given as Figure 5-3, sets out the relationship between household life stage and dwelling size for King's Lynn and 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 gradually downsizing to smaller homes again as they age.

**Figure 5-3 Age of household reference person by dwelling size in King's Lynn and West Norfolk, 2011**



Source: ONS 2011, AECOM Calculations

179. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Walpole Cross Keys households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-9 makes clear that population growth can be expected to be driven by the oldest households, with the largest growth seen in households with a household reference person aged 65 and over, which increases by 44% from 2011. This followed by a more modest increase of 4% in the 55 to 64 category. There are expected to be declines in the remaining younger age groups.

**Table 5-9 Projected distribution of households by age of HRP, Walpole Cross Keys**

Year	Age of HRP and under 24	Age of HRP 24 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	3	16	80	37	52
2036	2	14	72	39	75
% change 2011-2036	-31%	-11%	-10%	4%	44%

Source: AECOM Calculations

180. The final result of this exercise is presented in Table 5-10. The model suggests that the indicative mix in 2036 should be dominated by three-bedroom dwellings at 43.5%, although to a lesser extent than in 2011. This is followed by two-bedroom dwellings at 28.9%, a significant increase on the 2011 proportion, four-bedroom dwellings at 15.8%, one-bedroom dwellings at 7.3% and five or more

bedroom dwellings at 4.5%.

181. In order to reach the target mix by 2036, the greatest proportion of new housing should be delivered as two-bedroom dwellings (73.9%), followed by one-bedroom (21.8%) and five or more-bedroom (4.3%) dwellings. In contrast, no further delivery of new three- or four-bedroom dwellings is recommended during the plan period.

**Table 5-10 Indicative dwelling size mix to 2036, Walpole Cross Keys**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Indicative mix 2036</b>	<b>Balance of new housing to reach indicative mix</b>
1 bedroom	4.8%	7.3%	21.8%
2 bedrooms	20.7%	28.9%	73.9%
3 bedrooms	46.8%	43.5%	0.0%
4 bedrooms	23.4%	15.8%	0.0%
5 or more bedrooms	4.3%	4.5%	4.3%

Source: AECOM Calculations

182. As noted above, the modelling suggests that there will be no need for further three- or four-bedroom dwellings over the Neighbourhood Plan period. However, 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.

183. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.

184. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes.

185. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. However, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying three- and four-bedroom 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.

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

## Conclusions- Type and Size

187. 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.
188. According to Census 2011 data, Walpole Cross Keys had a higher proportion of detached properties compared to King's Lynn and West Norfolk, with the levels at both geographies significantly exceeding the national level for this house type. The NA also had a higher proportion of semi-detached properties and a lower proportion of terraced units compared to King's Lynn and West Norfolk. Finally, Walpole Cross Keys had a lower proportion of flats compared to the borough, both remaining significantly below the national level for this house type. 2021 VOA data suggests that Walpole Cross Keys had a comparatively high proportion of bungalows (on par with the borough) compared to nationally.
189. In terms of size, Walpole Cross Keys' housing stock is weighted towards larger size homes. The NA has a particularly high share of three-bedroom homes in comparison with King's Lynn and West Norfolk and England. The NA has lower proportions in the one- and two- bedroom categories compared to the borough and national averages. The NA has a higher proportion of four-bedroom dwellings, whilst the proportion of five+ bedroom dwellings is relatively consistent across all three geographies.
190. Between 2011 and 2020, the older aged population (65 and over) increased significantly, whilst the remaining younger age groups experienced more modest growth (or small decline in the case of 25-44). The 45-64 age group represented the largest single age group in Walpole Cross Keys across 2011 and 2020.

191. In 2021 Walpole Cross Keys had a lower proportion of single person households and a higher proportion of family households when compared to the wider borough. Those aged 66 and over are more likely to be living as a family unit in Walpole Cross Keys, opposed to within a single person household which is more common across the wider borough and nation.
192. In Walpole Cross Keys the proportion of families with no children (26.4%) is roughly equal to the level of families with dependent children (27.8%), contrasting the wider borough and nation averages which lean more towards families with dependent children. This could be indicative of an aging population, and potentially due to affordability challenges pricing young families out of the NA.
193. Walpole Cross Keys had a high rate of under-occupancy: 81.9% of households lived in a home with at least one extra bedroom in 2011, with 42.0% living in a home with two or more extra bedrooms. The percentage of households living in homes with fewer bedrooms than they might be expected to need was low at 2.7%.
194. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that new development of all tenures might involve the following share of dwelling sizes:
- 21.8% as one bedroom;
  - 73.9% as two bedrooms;
  - 0.0% as three bedrooms;
  - 0.0% as four bedrooms; and
  - 4.3% as five or more bedrooms.
195. This modelling is a starting point for thinking about how best to address the more nuanced needs of the future population. The results suggest that there will be no need for further three- or four-bedroom dwellings over the Neighbourhood Plan period but as discussed in the Chapter, this is not necessarily the most appropriate stance.
196. It would be unwise for any new housing 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-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.

## 6. Next Steps

### Recommendations for next steps

197. This Neighbourhood Plan housing needs assessment aims to provide Walpole Cross Keys 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 and 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 and 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 and West Norfolk Borough Council.
198. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
199. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, King's Lynn and West Norfolk Borough Council, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
200. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

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

202. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Walpole Cross Keys, it is considered that MSOA King's Lynn and West Norfolk 013 (E02005563) is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. This MSOA has been chosen as a proxy for the Neighbourhood Area boundary when looking at income data, as it overlaps with entirely of the Neighbourhood Area. A map of King's Lynn and West Norfolk 013 appears in Figure A-1.

**Figure A-1: MSOA King's Lynn and West Norfolk 013 (E02005563) used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

203. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
204. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

### i) Market sales

205. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
206. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Walpole Cross Keys, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
207. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £332,500;
  - Purchase deposit at 10% of value = £33,250;
  - Value of dwelling for mortgage purposes = £299,250;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £85,500.
208. 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 2021 was £198,750, and the purchase threshold is therefore £51,107.
209. It is also 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 recorded no sales of new build properties in the NA between in 2021. AECOM has therefore calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership

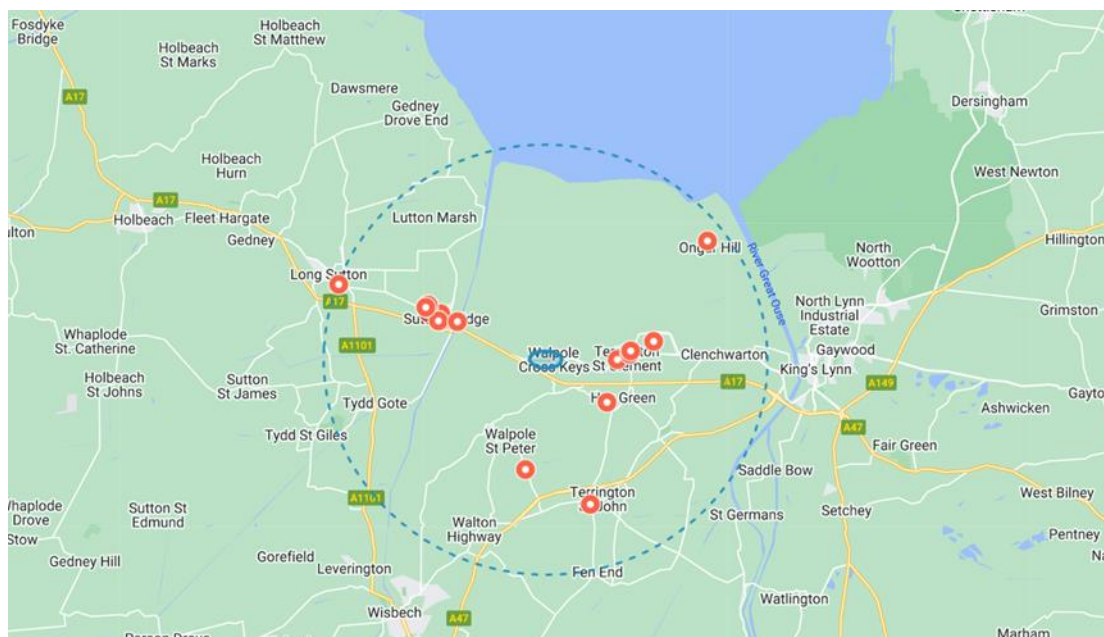
products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across King's Lynn and West Norfolk and new build house prices in 2021 in the same area. This percentage uplift (30.0%) is then applied to the 2021 lower quartile house price in the NA (£198,750) to give an estimated NA new build entry-level house price of £258,380 and purchase threshold of £66,441.

210. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across King's Lynn and West Norfolk in 2021. The median cost of new build dwellings in King's Lynn and West Norfolk was £325,000, with a purchase threshold of **£83,571**.

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

211. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
212. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
213. The property website [Rightmove.co.uk](https://www.rightmove.co.uk) shows rental values for property in the NA. According to [Rightmove.co.uk](https://www.rightmove.co.uk), there were no properties available for rent in the NA at the time of search in October 2022. As such, an alternative rental search area needs to be selected that is a best-fit proxy for the Neighbourhood Area.
214. Figure 6-1 shows the rental search area used to gather data for the private rent income threshold calculations. This area extends to a five-mile radius beyond the NA, covering adjacent rural parishes in both King's Lynn and West Norfolk and South Holland whilst excluding the more urban King's Lynn.

**Figure 6-1 Rental Search Area**



Source: [Rightmove.co.uk](https://www.rightmove.co.uk)

215. According to [Rightmove.co.uk](https://www.rightmove.co.uk), there were 14 properties for rent at the time of search in October 2022, with an average monthly rent of £836. There were 6 two-bed properties listed, with an average price of £669 per calendar month.

216. The calculation for the private rent income threshold for entry-level (two bedroom) dwellings is as follows:

- Annual rent = £669 x 12 = £8,028;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £26,760.

217. The calculation is repeated for the overall average to give an income threshold of £33,440.

## A.3 Affordable Housing

218. 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

219. 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.

220. 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

Walpole Cross Keys. 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 and West Norfolk in the Table A-1.

221. 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	£71.83	£82.28	£90.26	£101.73	<b>£83.13</b>
Annual average	£3,735	£4,279	£4,694	£5,290	<b>£4,323</b>
Income needed	£12,438	£14,248	£15,629	£17,616	<b>£14,395</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

222. 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).

223. 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%.

224. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for King’s Lynn and 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.

225. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60.4% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.



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

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£82.50	£100.53	£111.35	£131.75	<b>£103.38</b>
Annual average	£4,290	£5,228	£5,790	£6,851	<b>£5,376</b>
Income needed	£14,286	£17,408	£19,281	£22,814	<b>£17,901</b>

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

226. 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.

227. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of 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

228. 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.

229. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £258,380.

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

- Value of a new home (estimated NA new build entry-level) = £258,380;
- Discounted by 30% = £180,866;
- Purchase deposit at 10% of value = £18,087;
- Value of dwelling for mortgage purposes = £162,780;
- Divided by loan to income ratio of 3.5 = purchase threshold of £46,508.

231. 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 £39,864 and £33,220 respectively.

232. 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.

233. 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 two-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m<sup>12</sup>) would be around £122,500. This cost excludes any land value or developer profit. This could be an issue in Walpole Cross Keys for 50% discount First Homes, which would have a discounted value of £129,190.

### **Shared ownership**

234. 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'.

235. 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.

236. 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).

237. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £258,380 is £64,595;
- A 10% deposit of £6,460 is deducted, leaving a mortgage value of £58,136;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £16,610;

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<sup>12</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £193,785;
- The estimated annual rent at 2.5% of the unsold value is £4,845;
- This requires an income of £16,149 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £32,759 (£16,610 plus £16,149).

238. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £26,023 and £43,986 respectively.

239. The income threshold for shared ownership at 10%, 25% and 50% equity shares remain below the £80,000 cap for eligible households.

### **Rent to Buy**

240. 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)**

241. 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.

242. 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 methods<sup>13</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

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

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

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

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

## **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 principal forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

## **Community Right to Build Order<sup>15</sup>**

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

## **Concealed Families (Census definition)<sup>16</sup>**

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

## **Equity Loans/Shared Equity**

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

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

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

## **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**

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

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

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

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

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

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

## **Income Threshold**

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

## **Intercensal Period**

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



## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>17</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

## **Neighbourhood Development Order (NDO)**

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

## **Neighbourhood plan**

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

## **Older People**

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

## **Output Area/Lower Super Output Area/Middle Super Output Area**

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

## **Overcrowding**

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

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

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

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

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

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

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

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

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

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

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

### **Specialist Housing for Older People**

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

### **Social Rented Housing**

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

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

