Charlton
Housing Needs Assessment (HNA)

July 2019

Quality information

Prepared by	Checked by	Approved by
Abi Rhodes – Planner	Ivan Tennant – Principal Planner	Stuart Woodin – Technical Director

Revision History

Revision	Revision date	Details	Authorized	Name	Position
V1	14.01.19	Draft Report	AR	Abi Rhodes	Planner
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Prepared for:

Charlton Parish Council

Prepared by:

AECOM
Bridgewater House,
Whitworth Street,
Manchester,
M1 6LT
aecom.com

Table of Contents

List of acronyms used in the text:

AH   Affordable Housing (NPPF definition)

AMH   Affordable Market Housing

CPC   Charlton Parish Council

GT   Gypsy & Traveller

GTAA   Gypsy and Traveller Accommodation Assessment

HNA   Housing Needs Assessment

HNF   Housing Needs Figure

LPA   Local Planning Authority

MHCLG Ministry for Housing, Communities and Local Government (formerly DCLG)

NA   Neighbourhood Area

NDP   Neighbourhood Development Plan

NP   Neighbourhood Plan

NPPF   National Planning Policy Framework

ONS   Office for National Statistics

PPG   Planning Practice Guidance

PRS   Private Rented Sector

SHLAA Strategic Housing Land Availability Assessment

SHMA   Strategic Housing Market Assessment

TVBC   Test Valley Borough Council

1. Executive Summary

Introduction

1. This report provides the Charlton with information about the amount and mix of housing they should plan for going forward. The information provided can be used to inform debate within the group, local understanding of the needs and the justification for any site allocation and site mix policies within the neighbourhood plan.

2. The approach taken here recognises that all Neighbourhood Plans need to meet the statutory 'basic conditions', the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan.

3. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.[1] As such, this formal Housing Need Assessment (HNA) investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the current Local Plan. This means a Neighbourhood Plan can propose more housing where there is demonstrable need, but not less than the Local Plan.

4. In terms of the types of housing needed, there is generally more flexibility on what Neighbourhood Plan can cover. In order to understand the types of housing needed in the Neighbourhood Area (NA), we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.

5. The information is produced using reputable sources of the most recent data available and tested ways of analysing such data.

6. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.

7. Our brief was to advise on data at this more local level to help Charlton understand the quantity, tenure, type, and size of housing needed to inform Neighbourhood Plan policies including allocations. The analysis also responds to important background information given to the researchers by CPC which resulted in a number of agreed research questions:

   • RQ1: What quantity of Housing in the Neighbourhood Area is appropriate over the Plan period?

   • RQ2: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

   • RQ3: Is there a need for Affordable Housing and how should it be split into different tenures? What role is there for market housing in addressing community need over the Plan period?

Headlines

8. The housing requirement from the Local plan generates a Housing Needs Figure (HNF) of around 285 homes for Charlton based on the emerging Local plan.

9. The strategic mix of housing put forward by Test Valley Strategic Housing Market Assessment 2014 (SHMA14) is that 55% of housing across Test Valley should be two or fewer bedrooms. However, on balance, and considering the demographic profile of Charlton, it is likely to be more appropriate that 40% of homes should be two or fewer bedrooms in the Parish. Providing this mix of housing could also help to reverse the trend of younger adults, couples and young families leaving the area, or being unable to move into it due to affordability pressures.

10. From the affordability analysis we have done it is apparent that only those households in the Upper Quartile are able to access sale dwellings without subsidy. This means the majority of households must choose from alternative tenures, either Private Rent, or an Affordable Housing (AH) tenure. Given the majority of dwellings in the Neighbourhood Area (NA) are privately owned, this suggests a significant misalignment with community need.

11. It is notable however, that rents for entry-level PRS dwellings remain higher than median household incomes, indicating the majority of households are likely to require some form of subsidised housing. As set out earlier in this study, it is therefore appropriate that the accent is placed on the provision of AH. As shown in the Affordable Housing Model, a target of 40% would make substantial in-roads into the overall need for AH over the Plan period.

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[1] PPG Paragraph: 006 Reference ID: 2a-006-20140306

2.   Context

2.1   Local context

12.   Charlton is a small village and civil Parish, located in the north of the Test Valley Borough. The parish covers approximately 236 hectares and is located north-west of Andover town centre.

13.   Charlton is a semi-rural area, with a large amount of farmland; however there is one main settlement found in the south-east of the parish, where the majority of households are concentrated.

14.   A large sports and leisure centre is located in the south west of the Neighbourhood Area, containing two rugby pitches, a stadium football pitch, a running track and a BMX track. Charlton lakes, located adjacent to the sports centre, also provide leisure activities for residents.

15.   The A343 runs along the southern boundary of the parish, connecting residents to Andover, Newbury and Salisbury, as well as providing direct access to the A303.

16.   Since Charlton was designated as a Neighbourhood Area in 2014, a steering group has been working to develop a Neighbourhood Plan. A map identifying the designated Charlton Neighbourhood Area is shown below in Figure 2-1 below.

Figure 2-1: Charlton Neighbourhood Area
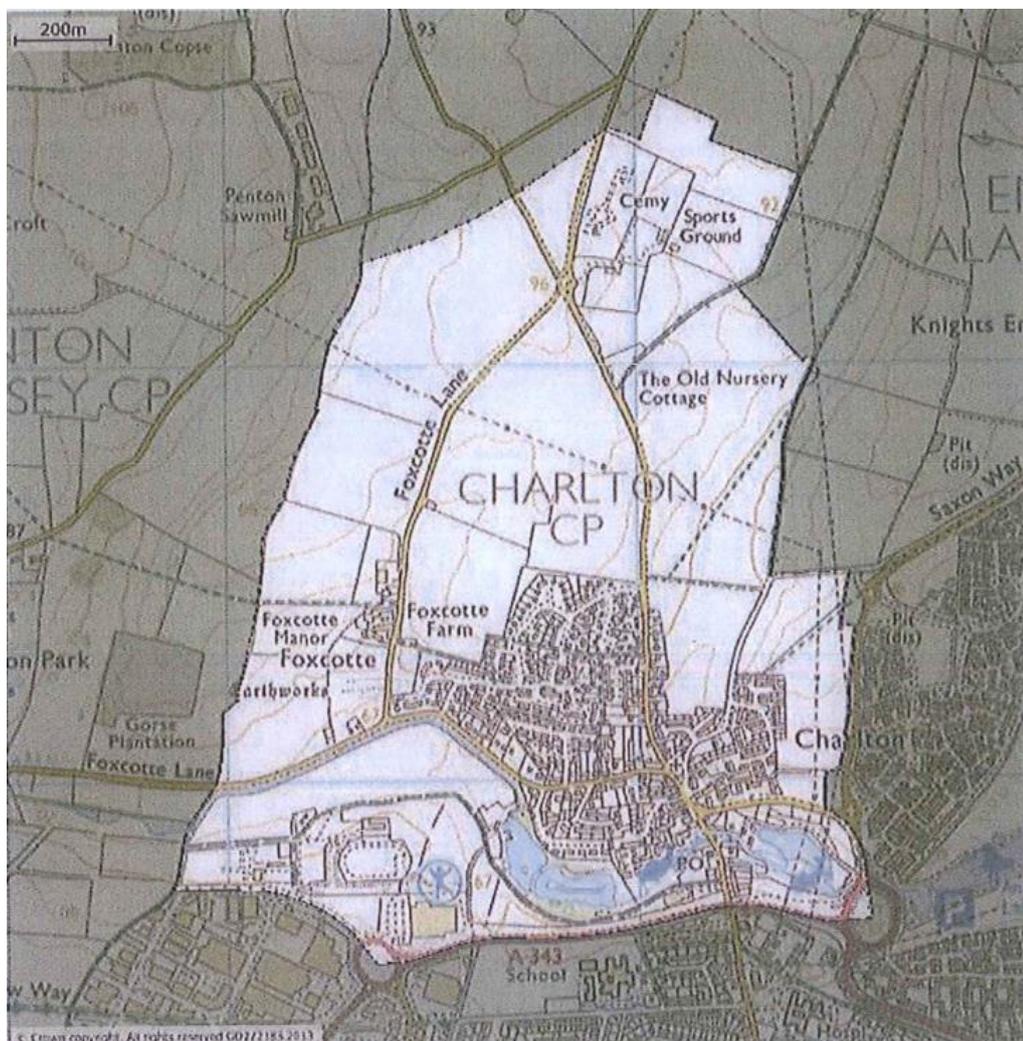
Source: Charlton Parish Council

2.2   Planning policy context

17. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the strategic policies in the adopted Local Plan, as discussed previously. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.

18. Test Valley Councils Revised Local Plan was adopted January 2016 and sets out the vision, objectives and high level strategy/ polices to guide future change in Test Valley up to 2029.

19. Following this the sites and policies document was adopted by the council 27th June 2018 and is the most up to date site allocations and polices Local Plan for the area and so we have reviewed its key policies relating to housing below.

Test Valley Borough Revised Local Plan DPD Adopted Local Plan 2011-2029 (January 2018)

Policy SD1: Presumption in Favour of Sustainable Development

Policy SD1: Presumption in Favour of Sustainable Development

Development that accords with the policies in the Revised Local Plan (and, where relevant, with policies in neighbourhood plans) will be approved through the correct planning process without delay, unless material considerations indicate otherwise.

Where there are no policies relevant to the application or relevant policies are out of date at the time of making the decision then the Council will grant permission unless material considerations indicate otherwise – taking into account whether:

a) any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or

b) specific policies in that Framework indicate that development should be restricted.

Policy COM1: Housing Provision 2011 – 2029

Policy COM1: Housing Provision 2011 – 2029

The housing requirement for the Borough is a minimum of 10,584 homes. Their delivery will be met through completions, commitments, unplanned development and the allocation of strategic sites.

Area of the Borough		Minimum Housing Requirement for 18 year Plan Period (per annum figures provided in brackets)	
Andover	Northern Test Valley	6,444 (358)	7,092 (394)
Rural Test Valley		648 (36)	
Southern Test Valley		3,492 (194)	
Borough Wide Total		10,584 (588)	

Policy COM2: Settlement Hierarchy

Policy COM2: Settlement Hierarchy

Within the boundaries of the settlements identified in the hierarchy (Table 7) and identified on inset maps 1 - 55 the principle of development and redevelopment will be permitted provided that it is appropriate to the other policies of the Revised Local Plan.

Development outside the boundaries of settlements in the hierarchy (as identified on map 1 - 55) will only be permitted if:

a) it is appropriate in the countryside as set out in Revised Local Plan policy COM8-COM14, LE10, LE16- LE18; or

b) it is essential for the proposal to be located in the countryside.

Table 7: Settlement Hierarchy

Hierarchy Designation	Associated Scale of Development	Settlement
Major Centres	• Strategic allocations • Windfalls • Replacement dwellings • Community-led Development • Strategic Employment Sites • Small scale employment development • Main Town Centre Uses	Andover
		Romsey*
Key Service Centres	• Strategic allocations • Windfalls • Replacement dwellings • Community-led Development • Rural Affordable Housing sites (Stockbridge only) • Strategic Employment Sites • Small scale employment development	Charlton
		Chilworth*
		North Baddesley
		Nursling & Rownhams
		Stockbridge*
		Valley Park

Policy COM7: Affordable Housing

Policy COM7: Affordable Housing

The Council will negotiate provision on housing sites of a net gain of:

- 15 or more dwellings (or sites of 0.5ha or more) for up to 40% of dwellings to be affordable;
- 10-14 dwellings (or sites of 0.3-0.49ha) for up to 30% of dwellings to be affordable;
- 5-9 dwellings (or sites of 0.2-0.29ha) for up to 20% of dwellings to be affordable or an equivalent off site provision made; and
- 1-4 dwellings (or sites of up to 0.19ha) a financial contribution equivalent to up to 10% of dwellings to be affordable;

and which will be secured via a legal agreement.

In assessing the suitability of such sites for the provision of affordable housing the Council will take into account the size, suitability and the economics of provision.

Development should provide for the appropriate integration of affordable housing and market housing, in order to achieve an inclusive and mixed community.

Policy COM8: Rural Exception Affordable Housing

Policy COM8: Rural Exception Affordable Housing

Development for rural affordable housing will be permitted provided that:

a) the proposal is accompanied by evidence which demonstrates there is an unmet need within the parish for accommodation by households unable to afford open market housing where a member of each household has either:

    i) been ordinarily resident in the parish or previously lived in the parish and has a strong family connection; or

    ii) a demonstrable need by virtue of their employment to live in the village or its immediate surroundings; or

    iii) a demonstrable need to live within the village either to support or be supported by a family member.

b) it is restricted in perpetuity to occupation by households with a member in housing need; and

c) the proposed mix of housing meets the identified need.

3.   Approach

3.1   Research Questions

20. Below we set out the Research Questions (RQs) relevant to this study, as discussed and agreed with CPC.

21. RQs are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA.

Quantity

22. The housing requirement for the Borough contained in the Test Valley Borough Revised Local Plan DPD (2011-2029) is a minimum of 10,584 homes. The Local Plan does not provide a specific housing needs figure for Charlton. However, the Settlement Hierarchy set out in Policy COM2 classifies Charlton as a key service centre, and this category is expected to support strategic development allocations. However, the settlement hierarchy also shows Charlton as a rural village. The group are currently in the process of working with TVBC to separate the parish area from Charlton and determine a new settlement boundary. Additional housing may also be provided via windfalls, replacement dwellings and community-led developments. There is no strategic allocation for Charlton in the Local Plan itself, however, the latter refers to four possible sites identified in the SHLAA and amounting to a total of 409 houses. TVBC state the SHELAA replaces the SHLAA. SHELAA has 3 possible sites; with capacity for 5, 202,115 = 322 houses

23. This is more than what is deemed appropriate by the community. The initial housing survey[2] proposed 100-250 dwellings, but since then this figure has reduced in recent public meetings. The residents have expressed their desire to see no more than 25 additional houses in the village, ideally provided via windfalls. Furthermore, a recent application of 85 dwellings was approved within the Neighbourhood Area and due to be completed in summer 2019.In light of these, the steering group believes Charlton has met its share of the housing requirement and only a small amount of additional housing would be necessary to meet the needs of the village in the next 10 years.

24. RQ1: What quantity of Housing in the Neighbourhood Area is appropriate over the Plan period?

Type and size

25. If the village needs additional houses, the group would like to understand what sort of housing would help them meet their needs. Currently, there is a higher proportion of the population which is retired, when compared to the borough average. The population is also expected to age and get smaller. They are aware that many of those ageing residents would like to downsize into smaller homes. On the other hand, there is a need to provide adequate housing for younger residents so they can leave the family home and form their own households.

26. RQ2: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

Tenure & Affordable Housing

27. The recent development of 85 houses in the village contained 40% of Affordable Housing. The group believes this would have provided enough Affordable Housing to meet the needs of the Parish. Therefore, they would like to understand if there is a need for additional Affordable Housing, what type, and what other market tenures are required.

28. RQ3: Is there a need for Affordable Housing and how should it be split into different tenures? What role is there for market housing in addressing community need over the Plan period?

3.2   Relevant Data

29. The PPG states that neighbourhood planners can refer to existing needs assessments prepared by the local planning authority as a starting point. As such, we turn to the Test Valley Housing Market Assessment, published in 2014, (henceforward, SHMA14) which provides relatively up-to date statistics and conclusions on housing need in the area.

30. The SHMA14 draws upon a range of data including population projections, housing market transactions and employment scenarios to derive the objectively assessed housing need. As such, it contains a number of points of relevance when determining the degree to which the housing needs context of Charlton differs from the district and county picture.

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[2] Undertaken by Charlton Parish Council in 2017

31. The basis for strategic housing market assessments prepared by local planning authorities is the housing market area, a geographical area defined as part of the study as being a contiguous housing market, based on a series of indicators including how people travel to work, and where they tend to move house. The Test Valley Housing market Area (HMA) is shown in Figure 2-3 below. This HMA has been used to contextualise the data in this study. As it can be seen, Charlton falls within the Andover HMA sub area.

Figure 2-3: Map and list of sub-areas in Test Valley
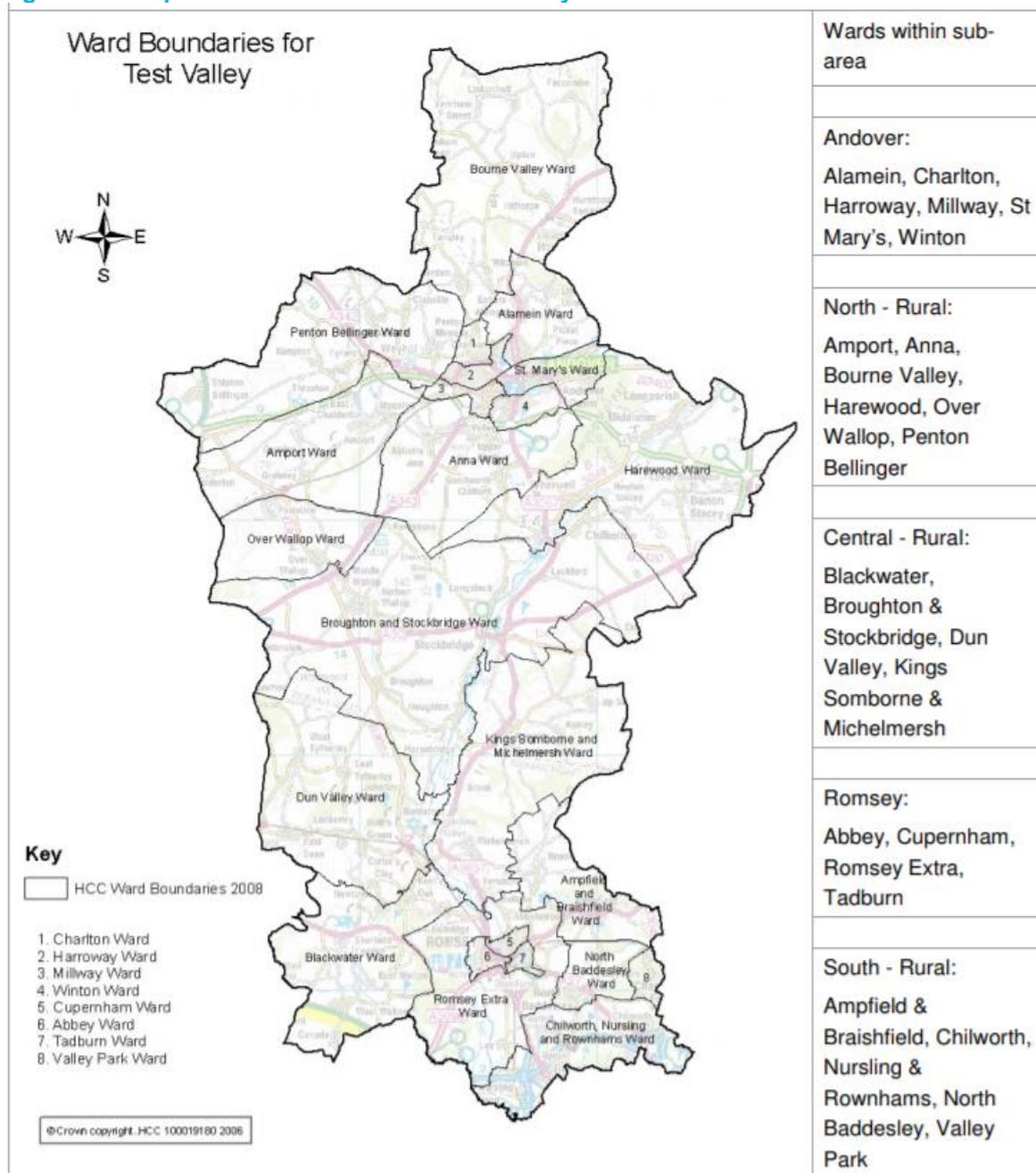
Source: Hampshire County Council

Documents provided by Test Valley Council

32. A range of information relevant to housing needs assessment is held by the LPA itself. Therefore annual completions monitoring data acquired directly from Test Valley Borough Council have been used in preparing this HNA report.

4.   Quantity

RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan Period?

33.   We have estimated the quantity of housing need in the NA over the Plan period (the Housing Needs Figure or HNF) using a four-step approach in accordance with the latest National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). According to the NPFF, the indicative figure for a neighbourhood area "should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority."[3]

Step 1: "the population of the neighbourhood area"

To determine the minimum number of homes needed or the minimum local housing need figure, local authorities should use the standard method[4]. The baseline for our calculation of an HNF for the NA is to calculate a proportional share of the Local Authority's minimum local housing need figure. This is based on the proportion of the population of the District/Borough living within the designated neighbourhood area.

MHCLG has now clarified the position as regards the appropriate starting point for Local Authorities to arrive at their housing target, *"For the short-term…the 2014-based data will be used for the demographic baseline for the assessment of local housing need."[5]* AECOM has therefore used the data set out in the Housing Need consultation table published by MHCLG in September 2017(2014-based data) that presents an Objectively Assessed Need for housing for each Local Authority in England based on the Standard Method.

Step 2: "most recently available planning strategy of the planning authority"

We then follow the guidance presented in the NPPF which states that the indicative HNF for neighbourhood plans should reflect "the overall strategy for the pattern and scale of development and any relevant allocations"[6] and "the most recently available planning strategy of the local planning authority."[7]

Step 3: Dwelling completions

Furthermore, any dwellings that have already been completed over the Plan period should be deducted from the HNF. Provided the data needed is available to us, we will also deduct a windfall allowance from our calculation.

Step 4: "latest evidence of local housing need"

Finally, we explore the "latest evidence of local housing need" and other relevant polices and data in detail, as part of a Market Signals analysis. Following any adjustment justified this analysis; we produce the final housing needs figure (section 5.7).

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34.   From this starting point, the Housing Needs Figure for the NA may be calculated as follows:

Standard method

35.   Firstly, we take the population of the NA, and calculate the proportion of the total Local Authority population this represents. This percentage will then be used to arrive at the share of the Local Authority's target which should be apportioned to the NA.

36.   In the case of Test Valley, the indicative assessment of housing need based on the Standard Method is 569 dwellings per annum. At the time of the last Census, there were 1,947 people in Charlton or 1.7% of the 116,398 people in Test Valley. Therefore, applying this percentage to the local authority's indicative assessment of housing need **gives a housing needs figure for the NA of 6 dwellings per annum, or 110 dwellings by the end of the Neighbourhood Plan period to 2029.**

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[3] NPPF, paragraph 66, page 18
[4] NPPF, paragraph 60, page
[5] Technical consultation on updates to national planning policy and guidance, October 2018, page 10
[6] NPPF, paragraph 65, page 18
[7] Ibid

Latest LPA Planning Strategy

37. However, when considering the housing needs figure for the NA, it is important to acknowledge the relevant policies in the most recently available development plan document that reflects the overall strategy for the pattern and scale of development and any relevant allocations. In the Test Valley Borough, this document is the Test Valley Borough Council adopted Local Plan (Adopted January 2016). The overall strategy for the pattern and scale of development is outlined in Policy COM1: Housing Provision 2011 – 2029.

38. As aforementioned in the Policy review, Charlton is designated as a key service centre[8] within Northern Test Valley and would fall into the wider Andover area. The Test Valley Local Plan (2016) puts forward a housing delivery requirement of 10,584 (588 per annum) between 2011 and 2029 (Policy COM1). The delivery of new homes across Test Valley over the planning period is disaggregated in TVLP policy COM1 as follows:

Policy COM1: Housing Provision 2011 – 2029

The housing requirement for the Borough is a minimum of 10,584 homes. Their delivery will be met through completions, commitments, unplanned development and the allocation of strategic sites.

Area of the Borough		Minimum Housing Requirement for 18 year Plan Period (per annum figures provided in brackets)	
Andover	Northern Test Valley	6,444 (358)	7,092 (394)
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Borough Wide Total		10,584 (588)	

39. Policy COM1 states that 60% of the overall Local Authority housing target should be met by Andover in which Charlton falls into[9]. We apply this 60% to the aforementioned indicative assessment of housing need (588 dwellings per annum), which gives us a figure of 358 dwellings per annum for Andover.

40. To calculate the fair share of this rural area figure for the NA, we apply the percentage of dwellings in the NA against the total number of dwellings in all settlements that form the area of Andover (which is broken down in 6 wards as set out in the SHMA 13). In 2011, there were 853 dwellings in Charlton, or 4.8% of the total 17,741 dwellings in Andover, as illustrated in table 4-1 below.

Table 4-1 Andover dwelling numbers

Andover Ward's (aligned with SHMA sub areas)	Dwellings	Percentage of the Rural Area
E05004629 : Alamein	3,552	20.0
E05004636 : Charlton	853	4.8
E05004641 : Harroway	3,192	18.0
E05004643 : Millway	3,105	17.5
E05004648 : St Mary's	3,539	19.9
E05004651 : Winton	3,500	19.7
Total	17,741	100%

Source: ONS 2011, AECOM Calculations

41. This results in a housing needs figure which is consistent with the spatial strategies of the Local Plan, of 16 dwellings per annum or **292** dwellings over the Neighbourhood Plan period.

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[8] Test Valley Borough Revised Local Plan DPD Adopted Local Plan 2011-2029 (January 2018)
[9] Confirmed by TVBC on 13/12/18

Past Dwelling Completions (2011-2017) Deductions

42. Finally, in arriving at a final total for Charlton, it is important to take into consideration that 7 dwellings were built between 2011 and 2017. Allowing for these completed dwellings, a housing needs figure for Charlton generates 285 **dwellings (292 - 7) between 2018 and 2029 or 26 homes per year (rounded)**. Once the development along Goch Way for 85 is completed this will reduce the remaining figure to 200 dwellings within the Neighbourhood Area for the remaining plan period.

43. Following this, we assess the 'initial' housing needs figure against market signals in the following chapter, and adjust the HNF if we find evidence of demand pressures that are specific to the NA.

5.   Market Signals

44. The NPPF states that an indicative housing requirement figure, "should take into account factors such as the latest evidence of local housing need". To achieve this, it is important to recognize the market signals which may affect demand and supply of housing in the NA. Whilst the most recent PPG does not explicitly provide guidance in regards to market signals, the aforementioned requirement of Neighbourhood Plans to acknowledge the latest evidence of local housing need means that a market signals analysis is still necessary.

45. Nevertheless, the former PPG also highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply.

46. The PPG states:

47. "The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand".[10]

48. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the housing market.

49. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

    "This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections."

    "In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be." [11]

50. In discussions with Test Valley Borough Council and Charlton Parish Council as to the appropriate levels of market dwellings in the NA it will necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:

– Employment and commuting trends;

– Migration;

– Housing Market (Prices);

– Housing Market (Volume);

– Overcrowding and concealment; and

– Rate of Development.

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[10] PPG Paragraph: 019 Reference ID: 2a-019-20140306
[11] PPG Paragraph: 020 Reference ID: 2a-020-20140306

5.1   Employment and Commuting

51. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of the NA.

52. The table below shows that the economic profile of Charlton is fairly similar to that of the wider Test Valley Borough. &2.7% are economically active compared to 73.4% in Test Valley and there is slightly more economically inactive people in Charlton (27.3%) compared to Test Valley (26.6%). A key difference is a slightly higher amount of retired residents within the NA (19.1%) compared to Test Valley (15.5%). Whilst the economic profile is broadly aligned with that of Test Valley, there are some key differences with the national averages. There is a significantly high amount of full-time employees in in Charlton (45.2% against 13.7% national average) and far less part time workers (14.7% against 38.6%). Nevertheless, these differences are not seen as significant in terms of housing demand although specialist housing for the elderly may be a concern.

Table 5-1: Economic Activity in Charlton, 2011

Economic category		Charlton	Test Valley	England
Economically active	Total	72.7%	73.4%	69.9%
	Employee: Full-time	45.2%	42.8%	13.7%
	Employee: Part-time	14.7%	14.7%	38.6%
	Self-employed	8.2%	10.7%	9.8%
	Unemployed	1.8%	2.5%	4.4%
	Full-time student	2.8%	2.6%	3.4%
Economically inactive	Total	27.3%	26.6%	30.1%
	Retired	19.1%	15.5%	13.7%
	Student	2.8%	3.4%	5.8%
	Looking after home or family	2.6%	4.0%	4.4%
	Long-term sick or disabled	2.3%	2.4%	4.1%
	Other	0.5%	1.3%	2.2%

Source: ONS 2011, AECOM Calculations

53. As shown in Table 5-2 below a significant proportion of Charlton (52.5%) residents work less than 10km from home, which is slightly higher than the district average (46.5%) and very similar to the national average (52.3%). The proportion of those travelling between 10-30km s less in Charlton (16.1%) compared to the rest of Test Valley (21.4%) and England (21%), which results in a large proportion of those residents travelling 30km and over in Charlton (14.8%) compared to the borough (12%) and England (10.3%). Additionally, the proportion of those working from home is lower in the NA (9.7%) compared to Test Valley (12.4%) and slightly lower than the rest of England (10.3%).

54. As seen in **Error! Reference source not found.** , the majority of long distance flows less than 10km are to destinations such as Andover and Winchester. Considering the large flows of commuting to Andover, in addition to Winchester, it is necessary to pay attention to future development and economic growth at these destinations as they could generate further demand for housing in the NA.

Table 5-2: Distance to work, 2011

Location of work	Charlton	Test Valley	England
Less than 10km	52.5%	46.5%	52.3%
10km to less than 30km	16.1%	21.4%	21.0%
30km and over	14.8%	12.0%	8.0%
Work mainly at or from home	9.7%	12.4%	10.3%
Other	6.9%	7.7%	8.5%
Average distance travelled to work	16.9km	17.8km	14.9km

Source: ONS 2011, AECOM Calculations

Figure 5-1: Commuting Flows from Charlton
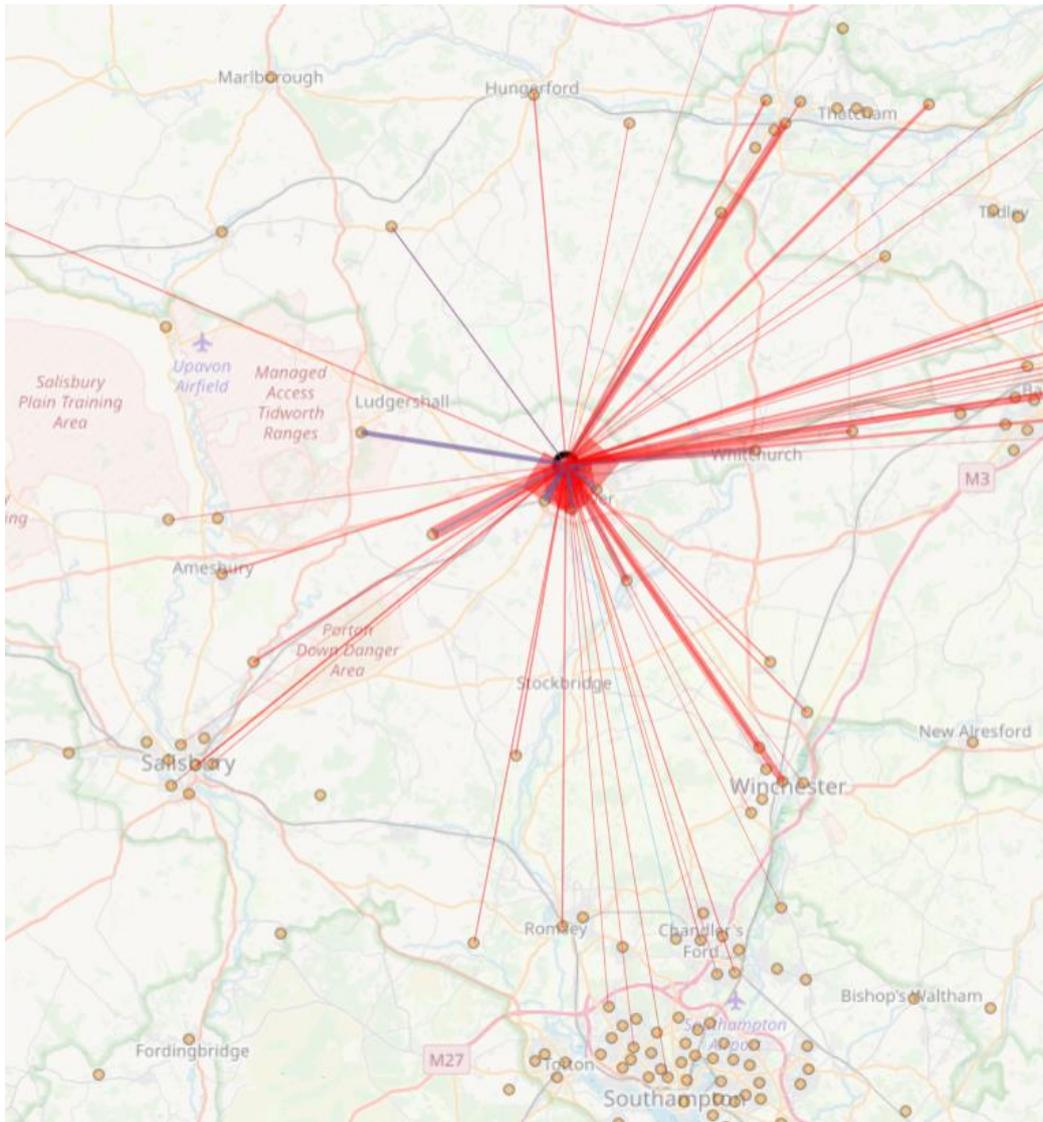
Source: datashine.co.uk

55. The SHMA suggest that Test Valley economy is performing well, outperforming England and Wales against a number of key indicators including rates of economic activity, unemployment, business survival and levels of qualification attainable, as can be seen in figure 5-2 on the following page. Therefore, there is justification for an economic uplift in increasing the housing targets and demand. The SHMA also suggests that there is the need to deliver necessary levels of housing, particularly affordable housing, to encourage key workers to live and work locally. House building targets also present opportunities to train and employ local resident in the construction industry.

Figure 5-2: Local Economic Assessment 2014/15

Indicator	2014/2015	Change since 2009/10
Total employment	56,400	↑
Economically active	83%	↑
Full time workers	71%	↓
Self-employed	14%	↑
Unemployment rate	4%	↓
Employees in knowledge based economy	38%	↓
Gross Value Added (GVA) per worker	£23,239	↑
Average (median) gross earnings – workplace based	£27,854	↑
Average (median) gross earnings – resident based	£28,812	↑
Residents achieving NVQ 4+	44.3%	↑
Residents with no qualifications	3.7%	↓
Housing affordability ratio	8.5	↑
Comparison with national value	Better	Similar	Worse

Source: Test Valley Local Economic Assessment (Perter Brett Associates) 2016

5.2   Migration

56.   Table 5-3 below suggests that 94.2% of Charlton's residents were born in the UK. Of the 5.8% residents born outside the UK, 4.2% have resided in the UK for at least 10 years. This suggests that international migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low and in line with the borough and is significantly lower than the rest of England and the majority of international migrants in Charlton have resided in the area for a significant period of time.

Table 5-3: Country of birth and length of residence, Charlton & Test Valley 2011

Place of birth	Population breakdown		Charlton	Test Valley	England
Born in the UK	Total		94.2%	91.7%	86.2%
Born outside the UK	Total		5.8%	8.3%	13.8%
	EU		2.9%	3.7%	3.7%
	Other		2.9%	4.7%	9.4%
	Length of residence	Less than 2 years	0.2%	0.7%	1.8%
		2-5 years	0.6%	1.2%	2.2%
		5-10 years	0.8%	1.4%	2.9%
		10 years or more	4.2%	5.0%	7.0%

Source: ONS 2011, AECOM Calculations

5.3   Housing Market (Prices)

57.   The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand[12]. It makes clear that house prices can be used to provide a 'market-base' enabling: "*the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility*." This is then used as a signal to adjust demographically based housing projections in response to the actual housing market.

58.   In Table 5-4 below we have analysed house prices achieved in 2017 in Charlton to gain an understanding of the latest prices for different property types and how they compare to the wider postcode area, Test Valley Borough and England. The mean price for dwellings in Charlton is more affordable than the wider postcode average (£289,757 against £295,068) whereby Charlton is also lower than the district mean of £349,406.

59.   Looking at the different types of dwellings, Charlton has lower figures than the wider postcode areas for detached homes (£364,154) compared to the postcode area (£431,032) and significantly lower than Test Valley (£505,877), but slightly higher than the rest of England (£334,848). Terraced properties are the only house type within Charlton (£262,550) that exceed those of the wider postcode (£232,258) and borough area (£260,410). Therefore, this could show that there is a higher demand for terraced properties in the NA compared to the wider are and the rest of England.

Table 5-4: Mean House Prices (2017)

	Detached	Semi-detached	Terraced	Flats and maisonettes	All
Charlton	£364,154	£275,404	£262,550	£185,490	£289,757
SP10 Postcode areas	£431,032	£275,727	£232,258	£164,899	*£295,068*
Test Valley District	£505,877	£300,137	£260,410	£188,097	*£349,406*
England	£334,848	£207,998	£178,874	£201,364	£221,790

Source: Land Registry, UK House Price Index, AECOM Calculations

60.   To assess evolution in the housing market in Charlton we have analysed data from the Land Registry. Data was downloaded for the NA, the wider postcode area and the District for the period of January 2008 to December 2017 and is presented in the figure below, divided by type of home and showing average price for each year.

61.   It is evident in Figure 5-3 that despite the fluctuations in prices paid for homes between 2008 and 2017, overall the price paid spiked in 2011 and decreased significantly in 2012, whereby house prices have begun to rise since and have peaked again in 2017. Yet this increase in prices is not substantial nor does it suggest a growing demand or lack of supply.

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[12] PPG Paragraph: 010 Reference ID: 2a-010-20140306

Figure 5-3: Charlton Price Paid Data between January 2008 and December 2017
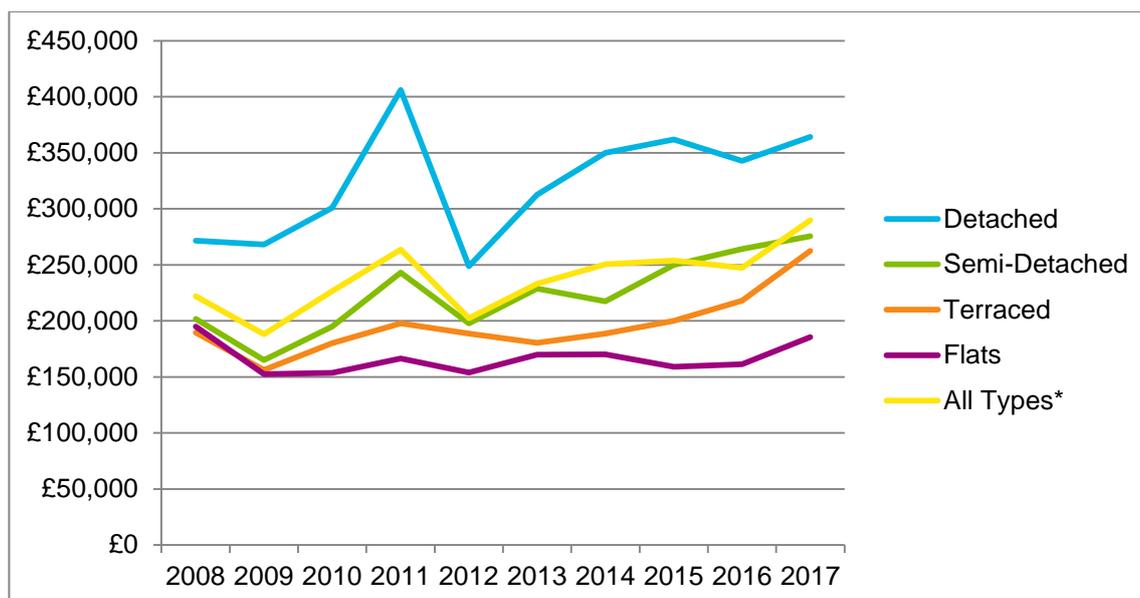
Source: Land Registry, AECOM Calculations

62. The mean house prices in Charlton are generally lower than the wider Test Valley borough. However, this disparity has reduced between 2008 and 2017 from -39% to -21%. The biggest decrease in percentage difference between Charlton and Test Valley over this period has been in detached homes from -73% to -39%, whereby the other house types have also decreased in difference over this period, except flats whereby there has been an increase from 2008 (24%) and 2017 (-1%). Overall, this may suggest a growing demand for detached and semi-detached housing in the NA.

Table 5-5: Evolution of mean house prices 2008-2017

	2008				2017			
	Charlton	**Test Valley**	**Difference**	**Percentage Difference**	**Charlton**	**Test Valley**	**Difference**	**Percentage Difference**
Detached	£271,681	£468,787	-£197,106	-73%	£364,154	£505,877	-£141,723	-39%
Semi-Detached	£201,661	£235,164	-£33,503	-17%	£275,404	£300,137	-£24,733	-9%
Terraced	£189,490	£191,006	-£1,516	-1%	£262,550	£260,410	£2,140	1%
Flats	£195,000	£148,839	£46,161	24%	£185,490	£188,097	-£2,607	-1%
All Types	£221,910	£308,047	-£86,136	-39%	£289,757	£349,406	-£59,649	-21%

Source: Land Registry, AECOM Calculations

63. Prices rising faster than other areas are a better indicator of a supply problem. This is reinforced by the Planning Advisory Service's (PAS) recent technical advice note on Objectively Assessed Needs and Housing Targets which advises at paragraph 5.38[13] that, "Proportional price change is generally a better indicator than absolute price". Based on that,

64. Table 5-6 below uses Land Registry data to calculate the average price increase in Charlton between 2008 and 2017. This is benchmarked against the average price increase for the LA.

65.

66. Table 5-6 shows that price growth in the NA has been 17% more than that of the wider Test Valley borough. Notably detached homes have increased by 34% in the NA compared to 8% for Test Valley. Semi-detached (37% compared to 28%) and Terraced homes (39% compared to 36%) have had a quicker price growth in the NA compared to Test Valley. However, the price growth in flats have been the lowest at -5% in Charlton and 26% for Flats in Test Valley. This also indicates a growing demand for detached and semi-detached properties in Charlton.

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[13] https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf

Table 5-6: Charlton VS Test Valley District price growth

|	Charlton	Test Valley	Difference
Detached	34%	8%	26%
Semi-Detached	37%	28%	9%
Terraced	39%	36%	2%
Flats	-5%	26%	-31%
All Types	31%	13%	17%

Source: Land Registry PPD, AECOM Calculations

67. Bringing the evidence together, it is clear that house prices in the NA are increasing at a fairly quick rate and is considered fairly high when compared to the wider Test Valley area. Although a closer analysis reveals that the price growth of detached and semi-detached house types in particular have been significantly high and suggests that there is a growing unmet demand for these house types. Overall, an analysis of house prices suggests that demand for housing is fairly strong in the NA, for all house types except flats, particularly detached housing.

5.4   Housing Market (Transactions)

68. Assessing housing sales over time is an important indicator in assessing demand for different types of housing. Figure 5-4 below presents Land Registry data for housing sales for different dwelling types in the Charlton NA.

69. This comparison is presented in Figure 5-4 below, with figures for the housing stock in Charlton. This data shows that the period between 2008-2017, there has been a fairly even split in the number of detached (30%), semi-detached (28%) and terraced (28%) properties. Meanwhile, the amount of Flats sold has always been a minority of overall sales with an average of 14% in this period. Despite a dip in sales in 2011 and again in 2014, the amount of housing has increased for all property types has increased significantly over the period from an overall total of 24 homes sold in 2008 to 41 homes in 2017.

Figure 5-4: Volume of Property Sales in Charlton by Property Type (2008 – 2017)
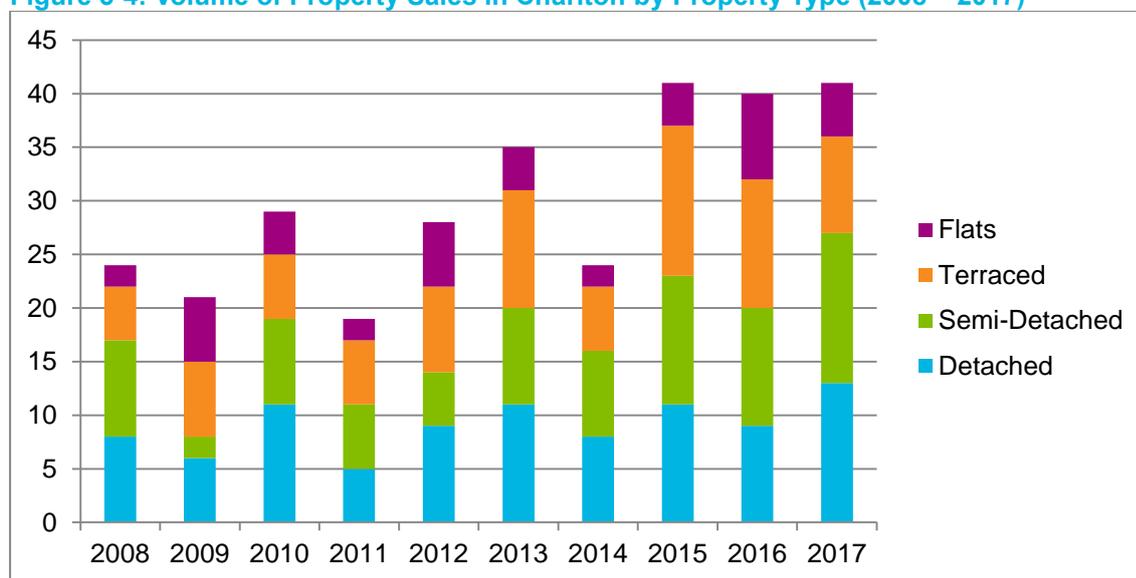
Source: Land Registry PPD, AECOM Calculations

70. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply-side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.

71. The comparison shown in Table 5-7 on the following page reveals that housing sales for detached, semi-detached, terraced and flat properties are misaligned with the amount of housing stock available. It shows that detached homes

have a greater number of stock (40%) when compared to the sale (30%), along with semi-detached properties, whereas terraced and flats the number of sales outstrips the housing stock. The largest difference can be noted in terraced properties, where the sales are 28% compared to the stock of 21%. This may suggest that there is a falling demand for detached and semi-detached homes in Charlton, but an increased demand for terraced homes and flats based on volume of transactions.

Table 5-7: Housing Sales and Stock in Charlton

	Housing sales in Charlton	Housing stock in Charlton	Housing stock in Test Valley
Detached	30%	40%	39%
Semi-Detached	28%	30%	26%
Terraced	28%	21%	23%
Flats	14%	9%	12%

Source: Land Registry PPD, AECOM Calculations

72. Bringing the evidence together, it is clear that the sales of properties have been rising at a significant rate. Moreover, the sales of detached and semi-detached homes is more than the amount of flats in the NA and therefore this may signal a need for additional supply of homes, especially semi-detached and terraced housing.

5.5   Rate of Development

73. Planning Practice Guidance suggests that *"If the historic rate of development shows that actual supply falls below planned supply, future supply **should** be increased to reflect the likelihood of under-delivery of a plan"*.[14]

74. For that, we consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. Between the years 2011 and 2017 a total of 7 dwellings have been delivered in the NA, which equates to 1 (rounded) dwellings per annum.

75. The local plan has an annual dwelling requirement of 358 dwellings per annum. The "fair share" of that target for Charlton is 16 dwellings per annum (rounded). Based on that figure, 96 homes should have been completed between 2011 and 2017 (16 multiplied by the number of years between 2011 and 2017). This reveals an under delivery of 89 homes over this period. However, development is currently underway for 85 dwellings on Gich way, due to be complete by 2019, which may counterbalance this previous under delivery.

76. The delivery of housing in the wider Test Valley District area has risen significantly above the annual targets set out by the Core strategy Policy COM1 of 394. As can be seen from Table 5-8 on the following page there is no under supply (shortfall[15]) relative to the annual average housing requirement for the period 2011/12 to 2017/18. Completions in this period are approximately 39% higher than the sum of the annualised requirement for this period. Therefore, if solely considering under supply from the plan period, there would be no addition to the requirement as there is a positive balance for Northern Test Valley.

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[14] PPG Paragraph: 019 Reference ID: 2a-019-20140306
[15] Shortfall is taken to mean an under supply against the average per annum requirement for the current plan period.

Table 5-8: Comparing completion to annualized requirements within Test Valley 2011/12- 2017/18

Year	Completions (Net Gain)	Requirement	Balance	Cumulative Balance
2011/12	437	394	43	43
2012/13	467	394	73	116
2013/14	359	394	-35	81
2014/15	668	394	274	355
2015/16	666	394	272	627
2016/17	651	394	257	884
2017/18	599	394	205	1,089
Total	3,847	2,758	1,089	

Source: TVBC Housing Implementation Strategy 2019

77.   Consequently, this shortfall in the NA and the oversupply in the district may indicate a minor need for increased housing supply in the NA to compensate for the recent downfall in delivery; however, the significant oversupply within the district on the whole is likely to reduce the pressure to generate housing within the NA.

5.6   Overcrowding and Concealment

78.   The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.

79.   One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the borough is shown in table 5-9 below. It is clear that overcrowding is not a significant issue for the NA as there has been no increase in the number of 1 persons per room and 0.5-1 persons per room has decreased by -31.4%. In Test Valley1 persons per room or more has significantly increased (33.2%), showing slight signs of overcrowding in the Borough. Overall, this highlights no significant need for increased housing in the NA.

Table 5-9: Trends in number of persons per room in Charlton, 2001-2011

Persons per room	Charlton	Test Valley	England
Up to 0.5 persons per room	12.3%	10.6%	7.9%
Over 0.5 and up to 1.0 persons per room	-31.4%	-0.3%	7.0%
Over 1.0 and up to 1.5 persons per room	0.0%	33.2%	27.3%
Over 1.5 persons per room	0.0%	-6.1%	2.5%

Source: ONS 2011, AECOM Calculations

80.   A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents[16]. ONS data shows that there are 10 concealed families in Charlton (1.6%) compared to 490 in Test Valley (1.4%).This figure is higher than the district and slightly lower than the national average (1.9%) and therefore, concealed families could be seen as a minor issue in the NA area, but not likely to lead to a significant uplift.

81.   Bringing the evidence together, it is clear that there is a particular demand for detached and semi-detached and terraced housing within the NA, which can be seen for both house prices and housing transactions. Whilst the number of concealed families in Charlton is fairly low, the overcrossing in the NA must be addressed in the housing figure.

5.7   Conclusions

82.   We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are set out in the table above in alphabetical but no other order.

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[16] http://webarchive.nationalarchives.gov.uk/20160105222245/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-/sty-what-does-the-2011-census-tell-us-about-concealed-families.html (visited 01/09/17)

Table 5-10: Summary of factors specific to Charlton with a potential impact on neighbourhood plan housing quantity

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Employment and Commuting	http://commute.datashine.org.uk ONS Census Data Test Valley Strategic Housing Market Assessment 2013, Economic Plan	↑	The SHMA suggest that Test Valley economy is performing well, outperforming England and Wales against a number of key indicators including rates of economic activity, unemployment, business survival and levels of qualification attainable. Therefore, there could be mild demand on housing within Charlton.
Migration	ONS Census Data	↔	International migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the District and England and the majority of international migrants in Charlton have resided in the area for a significant period of time.
Housing Sales (Prices)	Land Registry Price Paid Data for 2007-2016	↔	An analysis of house prices suggest that demand for housing is not particularly strong in the NA.
Housing Sales (Volume)	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,	↑	The sales of properties have been rising at a significant rate. Moreover, the sales of detached and semi-detached homes is more than the amount of flats in the NA and therefore this may signal a need for additional supply of homes, especially semi-detached and terraced housing, therefore one arrow is applied.
Rate of development	Land Registry Data AECOM Calculations Test Valley Strategic Housing Market Assessment 2013	↔	There has been a slightly shortfall in the delivery of homes in Charlton, unlike the wider Test Valley Borough which has seen a significant over supply. It is suggested that due to this imbalance between the NA and the wider that rate of development is highly unlikely to impact future housing demand.
Overcrowding and Concealment	Census Data 2001, 2011	↔	Whilst the amount of concealed families remain low, as well as overcrowding in Charlton. Therefore, concealed families could be seen as a minor issue in the NA area, but not likely to lead to a significant uplift.

Application of market signals

We summarise above our conclusions regarding the impact of market signals on the quantity of housing needed in Charlton. On this basis, we recommend that a 0**%** uplift should be applied to the provisional HNF of 285 calculated in the Quantity section.

This creates a final Housing Needs Figure of 285 over the plan period.

6.   RQ 2. Tenure

RQ2. What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market housing tenures should be included in the housing mix?

83.   Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.

84.   We will address this section by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether continuation of these trends would meet future needs; or, alternatively, whether there exist misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment[17].

Definitional issues

85.   It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership[18]. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

86.   The definition of Affordable Housing set out in the NPPF make clear the government's commitment to home ownership but recognise the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.

87.   It is important to note however that the 2012 version of the NPPF refers to the 'national rent regime' not 'Government's rent policy'. It has been suggested that this change in wording may give central Government, and by extension local authorities, wider flexibility in arriving at social rents.[19]

88.   The revisions seek to broaden the definition of AH to include a range of low cost housing opportunities for those aspiring to own a home, including Starter Homes.

89.   In paragraph 64 of the revised NPPF, Government introduces a recommendation that *'where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership'.* In line with PPG[20], the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes Starter Homes, Shared Ownership homes and homes available for discount market sale.

6.1   Current tenure profile

90.   In order to set a baseline for our examination of tenure, it is necessary to present a picture in the NA based on the most recent reliable data. Table 6-1 below presents Census data from 2011; this shows that the distribution of how households occupy their homes within Charlton, compared to the rest of Test Valley and England. It is worth noting the higher number of owner-occupied dwellings in Charlton (86.5%) compared to Test Valley (70.3%) and England (63.3%). There is also a low number shared ownership dwellings in Charlton (0.5%). This is similar to Test Valley (0.7%) and England (0.9%). When looking at the social rented sector, there is a lower proportion in Charlton (4.9%) compared to Test Valley (14.4%) and the rest of England (17.7%). This trend can also be seen for the proportion of private rented dwellings in Charlton which is significantly lower (6.9%) than the rest of test Valley (12.9%) and England (16.8%).

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[17] PPG Paragraph: 021 Reference ID: 2a-021-20160401
[18] NPPF, July 2018
[19] McGready, B, Affordable Housing and Planning, MBL seminars, April 2018
[20] PPG 031 Reference ID: 23b-031-20161116

Table 6-1: Tenure (households) in Charlton, 2011

Tenure	Charlton	Test Valley	England
Owned; total	86.5%	70.3%	63.3%
Shared ownership	0.5%	0.7%	0.8%
Social rented; total	4.9%	14.4%	17.7%
Private rented; total	6.9%	12.9%	16.8%

Source: Census 2011, AECOM Calculations

91. In table 6-2 Table, we note the changes in the way households occupy their homes during the inter-censual period; the general uplift across all tenures is the result of the slight increase in dwellings (and therefore households) over the period, from 834 in 2001 to 839 in 2011. It is important to note the percentages shown below can be misleading; the increase of 70.6 % in private rented dwellings starts from a low base of 34, increasing to 58. The proportional increase in privately rented dwellings at the District and National geographies is however reflected in the increase in PRS in the NA. The number of shared ownership dwellings has shown a decrease, from 6 to 4 dwellings.

Table 6-2: Rates of tenure change in Charlton, 2001-2011

Tenure	Charlton	Test Valley	England
Owned; total	-1.5%	2.7%	-0.6%
Shared ownership	-33.3%	21.5%	30.0%
Social rented; total	2.5%	11.2%	-0.9%
Private rented; total	70.6%	97.2%	82.4%

Source: Census 2001 and 2011, AECOM Calculations

92. Figure 6-1 below shows the changes in Test Valleys' areas between 2001 and 2011, highlighting that Andover (whereby Charlton falls within) has seen the largest change in private renting over the decade, with an increase of over 1,000 households. This is in line with trends highlighted in table 2-2 above. The main point of difference show in figure 2-1 to table 2-2 is that increase of over 400 social rented households in Andover, whereas the table above only shows a small increase in the number of Social dwellings within Test Valley overall, which must be concentrated within the Andover sub area. This could result in a demand in social housing within Charlton neighbourhood area.

Figure 6-1: Change in tenure profile at Sub-Area Level (absolute stock changes) 2001-2011 in Test Valley
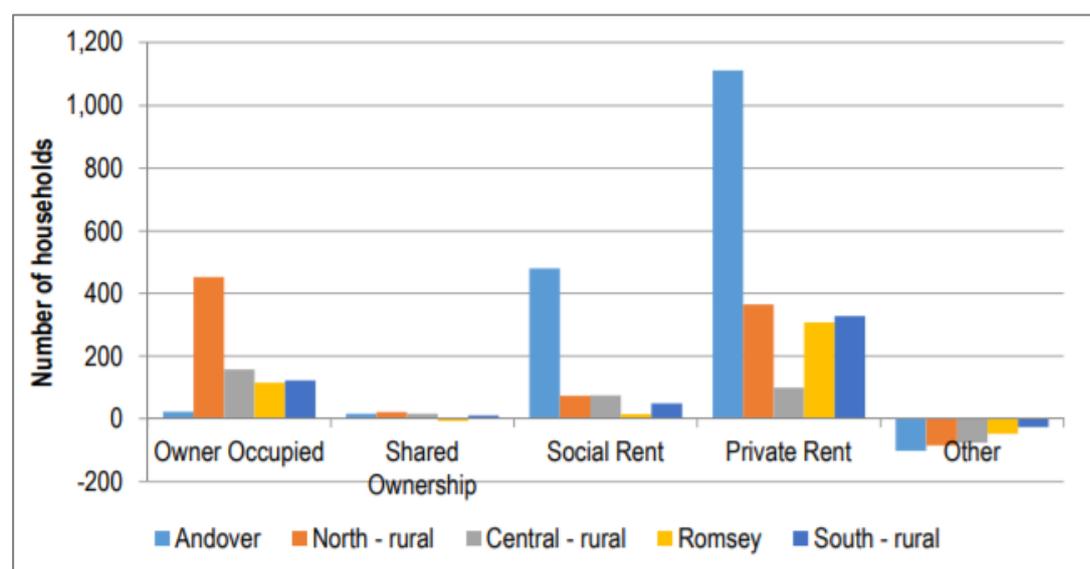

Source: SHMA14

93. In conclusion, we can therefore note that:

- Owner-occupation remains the dominant tenure in the NA (the tenure for most households), however has marginally decrease between 2001-2011;
- There has been a significant increase in PRS during the 2001-11 inter-censual period;
- The number of those socially renting has marginally increased in the NA.

6.2   Affordability

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

95.   In line with the PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio[21] (LQAR) and the Median Affordability Ratio[22] (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time. Furthermore, the Planning Practice Guidance makes clear that lower-quartile house prices should also be used as a benchmark for entry-level home prices[23].

96.   Figure 6-2 on the following page looks at selected measures of house prices in Charlton. This shows that price growth has been fairly moderate for both Lower Quartile (7%) and slightly higher for Median prices (11%) and mean prices (13%). This suggests that price growth has been concentrated in the higher end of the market, whilst there has been slightly less growth in the lower end of the market, thus lifting the median and mean figures.

97.   It can be noted from the table below that house prices began to fall after the 2008 recession and have steadily began to recover to a point where they now clearly exceed the pre-recession house prices. When looking at the average minimum and maximum price paid in Charlton these figures have fluctuated significantly over the period and decreasing from 2008-2017, however due to a greater number of sales, this has resulted in an overall increase in the LQ, mean and median price paid over for this period. This data is based on an average of 100 sales per annum over the period in Charlton.

Figure 6-2: House prices in Charlton 2008-2017
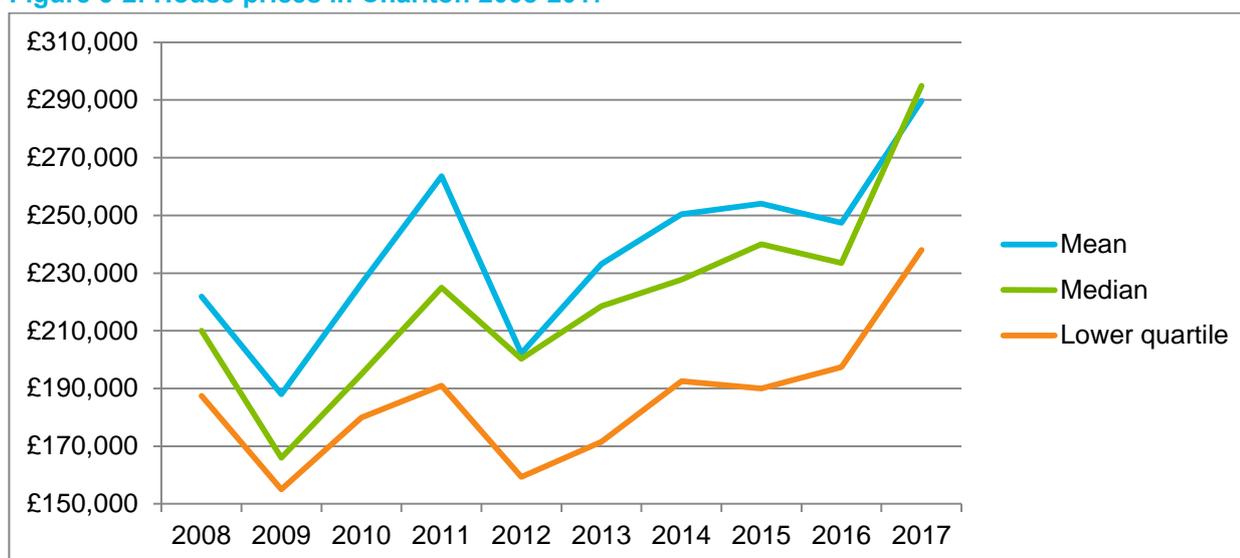
Source: Land Registry PPD

98.   The Table 6-3 below breaks down house prices by type of house, as recorded in the Land Registry. Whist flats saw a slight decrease, overall house prices rose marginally over this period. Given that terraced, semi-detached and detached properties increased the most over the period, this is in line with the picture seen above, given that these property types tend to be the most expensive type, and often fall into the top end of the market.

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[21] See glossary
[22] See glossary
[23] Planning Practice Guidance, Paragraph: 024 Reference ID: 2a-024-20180913

Table 6-3 : House prices by type in Charlton, 2008-2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	GROWTH
Detached	£271,681	£268,250	£301,036	£406,090	£248,778	£312,500	£349,806	£362,000	£342,722	£364,154	34.0%
Semi-Detached	£201,661	£165,000	£194,925	£243,127	£197,900	£228,722	£217,494	£249,820	£264,268	£275,404	36.6%
Terraced	£189,490	£156,214	£180,166	£197,833	£188,744	£180,455	£188,750	£199,928	£218,071	£262,550	38.6%
Flats	£195,000	£152,333	£153,723	£166,475	£153,917	£169,875	£170,000	£159,125	£161,306	£185,490	-4.9%
All Types	£221,910	£187,952	£226,437	£263,640	£202,213	£233,157	£250,454	£254,033	£247,469	£289,757	30.6%

Source: Land Registry PPD

99. For the purposes of this HNA, given the inaccessibility of household income data at the neighbourhood level, we have drawn on data presented in the SHMA 13 based on the assumption household income levels in Test Valley are likely to be broadly similar to Charlton. Table 6-4 below shows local incomes, across test Valley, the lower quartile gross annual residence-based earnings were £20,762 annually (workplace), whilst the median income was £28,181 in 2012. Competitively the resident-based incomes were broadly similar, being slightly higher, this reflects the attractiveness of Test Valley as a place to live for London commuters, who command higher wages and hence drive up the median resident-based earnings for the area[24].

Table 6-4: Household gross annual pay in Test Valley by quartile, 2012

	Median		Lower Quartile	
	Workplace	Resident	Workplace	Resident
Test Valley	£27,734	£28,194	£20,761	£20,512
Hampshire	£27,927	£29,255	£19,996	£20,295
South East	£28,181	£29,491	£20,010	£20,654

Source: SHMA13

100. From this it is possible to generate an estimated LQAR[25] of **7.7** (rounded) and a Median Affordability Ratio (MAR) of **7.2** in 2012. This indicates that the lack of affordability is acute at the lower end of the income spectrum and, while it eases slightly at the median point, for sale market dwellings are arguably beyond the means of people at this level of household income.

101. In order to check the validity of the calculations in the table above and bring them up to date, we have checked the Annual Survey of Hours and Earnings[26] that are available at a local authority level from 2018. Table 6-5 below shows the Lower Quartile weekly earning is £279.3[27], which equates to an annual income of £14,524. The median income is £498.4 per week, which equates to annual earnings of £25,917.

Table 6-5 : Household gross weekly pay in Test Valley by quartile, 2018

Place Description	Number of jobs (thousand)	Percentiles								
		Median	Mean	10	20	25	30	40	60	75
England and Wales	22,881	451.1	543.5	144.4	239.0	285.5	318.2	382.4	530.3	688.8
England	21,720	453.9	547.0	144.4	239.2	286.4	319.2	383.3	533.7	690.8
Test valley	61	498.4	595.8	134.3	221.8	279.3	340.1	422.7	598.0	744.7

Source: Annual Survey of Hours and Earnings, 2018 (provisional)

102. From this it is possible to generate an estimated LQAR of **16.4** (Rounded) and a MAR of **11.4** in 2018. This shows that the affordability ratio has significantly worsened from 2012 to 2018; highlighting that those households on the lowest income will severely struggle with affordability.

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[24] https://www.testvalley.gov.uk/assets/attach/2007/Review-of-Housing-Evidence-Base-2016.pdf
[25] Check Glossary
[26] ONS (2017) available at:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults Last accessed 09.10.18
[27] ONS (2017) Available at:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2016provisionalresults/relateddata?:uri=employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2016provisionalresults/relateddata&:uri=employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2016provisionalresults/relateddata&page=3

6.3   Affordability Thresholds

103. In order to gain a finer understanding of affordability, it is also useful to understand what levels of income are required to afford different tenures. This done through the use of 'affordability thresholds.'

104. We have prepared thresholds for market purchase, Private Rented Sector (PRS), Shared Ownership at 25%, 50% and 75%, Affordable Rent set at 80%, and estimated Social Rent levels across Charlton. The calculations are detailed in the Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations. Table 6-6 below shows the costs of different tenures and the income required to support these costs.

6-6: Table Affordability Thresholds (Income required, £)

Tenure	Cost of purchase	Annual rent	Income Required
Entry level Market Sale	£238,000	N/A	£74,200
Shared ownership (75%)	£178,500	£1,487.50,	£51,850
Starter Homes	£171,360	N/A	£48,960
Market Rent - Entry-level	N/A	£9,900	£39,600
Shared ownership (50%)	£119,000	£2,975	£42,500
Shared ownership (25%)	£59,500	£4,462.50	£33,150
Affordable Rent	N/A	£7,920	£31,680
Social Rent - 3 Bed Dwelling	N/A	£5,735.60	£22,942.40
Social Rent - 2 Bed Dwelling	N/A	£6,323.20	£25,292.80

Source: AECOM Calculations

6.4   Conclusions

105. The estimated LQAR of 16.4 and median MAR of 11.4 indicates that that the lack of affordability is acute at the lower end of the income spectrum and, while it eases slightly at the median point, for sale market dwellings are still well beyond the means of people at this level of household income.

106. Based on median and lower quartile household incomes in the district of £20,238 and £12,501 respectively, it can be supported that a mix of housing tenures would be required to meet the appropriate needs of the community, both for rent and leading to home ownership.

107. From the affordability analysis we have done it is apparent that only those households in the Upper Quartile are able to access sale dwellings without subsidy. This means the majority of households must choose from alternative tenures, either Private Rent, or an AH tenure. Given the majority of dwellings in the NA are privately owned, this suggests a significant misalignment with community need.

108. The new NPPF acknowledges that Build to Rent dwellings have a role to play in providing affordable market homes, and may contribute to AH need where they include a component of Affordable Private Rent. It is therefore appropriate for policy in Charlton to support Build to Rent development.

109. It is notable however, that rents for entry-level PRS dwellings remain higher than median household incomes, indicating the majority of households are likely to require some form of subsidised housing. As set out earlier in this study, it is therefore appropriate that the accent is placed on the provision of AH. As shown in the Affordable Housing Model, a target of 40% would make substantial in-roads into the overall need for AH over the Plan Period.

110. Table 4-7 previously provides a flavour of what tenure split is appropriate given the relationship between household income and affordability thresholds; it seems appropriate the accent should be on Social and Affordable Rent dwellings, with Shared Ownership dwellings available to those seeking a route to home ownership, and an alternative to PRS dwellings.

111. On the basis of the evidence we have gathered, the following tenures split of AH tenures is put forward,

Table 6-7: Tenure split (Affordable Housing)

Routes to home ownership, of which	20%
Starter Homes	*50%*
Shared ownership	*50%*
Affordable Housing for rent, of which	**80%**
Social Rent	*60%*
Affordable Rent	*40%*

Source: AECOM calculations

7.   RQ 3. Type and size

RQ3. What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

112. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration type and size within the existing housing stock.

7.1   Background and definitions

113. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability[28].

114. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.

115. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows[29]:

- 1 room = bedsit

- 2 rooms = flat/house with one bedroom and a reception room/kitchen

- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen

- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen

- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen

- 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen

- 7+ rooms = house with 3, 4 or more bedrooms

116. It is also useful to clarify somewhat the census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained[30], and as such all dwellings are

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[28] SHMA15, pp.130, para 8.5
[29] https://www.nomisweb.co.uk/census/2011/qs407ew
[30] https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form

classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

117. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."[31] On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

118. Whilst it is unlikely that these issues are of particular relevance to the Charlton NP, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

7.2   Existing types and sizes

119. Below we consider the existing types and sizes of dwellings in Charlton. Table 7-1 shows that the majority of dwellings in Charlton are detached (40%), which is slightly higher than the rest of Test Valley (39%) and significantly higher than England (22%). The next largest dwelling type is semi-detached (30%) which is higher than the rest of Test Valley (26%), however lower than the rest of England (31%). All other dwelling types in the NA make up a smaller proportion of the dwelling stock when compared to the surrounding area of Test Valley and England, particularly terraced properties.

Table 7-1: Types of dwellings (rounded), 2011

Dwelling Type (excluding caravan and other temporary structures)	Charlton	Test Valley	England
Whole house or bungalow: Detached	39.6%	38.7%	22%
Whole house or bungalow: Semi-detached	29.5%	25.6%	31%
Whole house or bungalow: Terraced (including end-terrace)	21.5%	22.5%	25%
Flat, maisonette or apartment: Purpose-built block of flats or tenement	8.4%	10.4%	16%
Flat, maisonette or apartment: Part of a converted or shared house (including bed-sits)	0.2%	1.3%	4%
Flat, maisonette or apartment: In a commercial building	0.7%	0.8%	1%

Source: Census 2011

120. Below we look at the number of bedrooms in homes in Charlton, Test Valley and England. The most common size of home in Charlton is 4 bedrooms (47%); this is higher than the rest of Test Valley (41%) and significantly higher than the rest of England (14%). It can also be noted that there is a greater proportion of 5 bedroom dwellings (23%) compared to Test Valley (22%) and significantly higher than England (5%). This shows that generally there are a greater number of larger dwellings in the NA when compared to the rest of Test Valley and significantly higher than the rest of England. This statement is further supported by the significantly smaller proportion of 1 bedroom/bedsit dwellings in Charlton and Test Valley (0.1%) when compared England (12%) and the number of 2 bedroom properties is also significantly lower in Charlton (3.1%) compared to Test Valley (8.5%) and England (28%).

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[31] Ibid.

121. **Table 7-2: Number of bedrooms in household spaces, 2011**

Number of Bedrooms	Charlton	Test Valley	England
1 bedroom/Bedsit	0.1%	0.1%	12%
2 bedrooms	3.1%	8.5%	28%
3 bedrooms	22.6%	20.9%	41%
4 bedrooms	47.1%	41.4%	14%
5 or more bedrooms	23%	22.3%	5%

122. *Source: Census 2011, AECOM Calculations*

123. The data in table 7-3 allows us to consider a broader picture of the size of the housing stock in Charlton in comparison with the district. This data only covers homes and dwelling spaces (i.e. homes in a shared dwelling) that are occupied and does not cover vacant or second homes. The data considers the total number of rooms in each household, that is, the self-reported count of the number of rooms available to each household in the Census, including kitchens but excluding bathrooms.

124. This shows that the number of rooms overall are similar to both Charlton and Test Valley, although two contrasts stand out: there is a significantly smaller proportion of 2 room (0.4%) in Charlton compared to Test Valley (1.4%) and 3 room (1.9%) compared to Test Valley (7.2%), however when looking at 9 rooms and more, Charlton also has a smaller proportion (8%) when compared to Test Valley (12%). Overall, the findings from the table below support the findings that dwellings are generally larger in Charlton than across the rest of Test Valley.

Table 7-3: Number of rooms in household spaces, 2011

Number of Rooms	Charlton	Test Valley	England
1 Room	0%	0.3%	1%
2 Rooms	0.4%	1.4%	3%
3 Rooms	1.9%	7.2%	10%
4 Rooms	15.5%	14.2%	19%
5 Rooms	27.2%	23.3%	25%
6 Rooms	22.1%	19.1%	19%
7 Rooms	13.9%	12.4%	10%
8 Rooms	11.1%	9.6%	6%
9 Rooms or more	8.0%	12.4%	6%

Source: Census 2001/2011, AECOM Calculations

125. In this context it is useful to consider how the number of rooms in dwellings has changed over the Census period. This shows that the dwelling stock has shifted to some extent. However, it is crucial to remember that these changes describe the way that households occupy their dwellings. It would suggest that there may have been a general trend towards enlarging properties, with what can be seen to be conversions from 3 room homes being lost as a result. In this way the enlarging of properties by one generation has a long term impact on those from another generation seeking homes, as the size (and usually the value) of these properties increases. It can be noted that the largest increase can be seen in 8 or more room homes by around 50%, which is significantly higher than the rest of Test Valley (26%) and England (30%).

126. The data in table 7-4 suggests that, particularly for larger homes or 3 or more room homes (which make up the majority of housing in Charlton), that housing size is as much a matter of choice, preference and ability to afford housing as it is of 'need' as defined by the bedroom standard, which essentially sets a minimum number of bedrooms needed for different household types.

Table 7-4: Rate of change in the number of rooms per household, 2001-2011

Number of Rooms	Charlton	Test Valley	England
1 Room	0.0%	-35.5%	-5.2%
2 Rooms	0.0%	25.0%	24.2%
3 Rooms	-38.5%	16.9%	20.4%
4 Rooms	9.2%	7.0%	3.5%
5 Rooms	-18.3%	-6.0%	-1.8%
6 Rooms	-1.1%	4.9%	2.1%
7 Rooms	3.5%	11.5%	17.9%
8 Rooms or more	49.5%	26.0%	29.8%

Source: Census 2001/2011, AECOM Calculations

127. It is helpful to turn to demographic factors affecting housing needs to better understand how the future needs of Charlton's population might be met in terms of new housing. The evidence assembled below seeks to populate a series of key indicators; these are the household composition and occupancy both now and how they are likely to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how the type and size of housing in Charlton should be influenced through planning policy.

7.3 Factors affecting size of housing needed: household composition

128. Household composition, set out in Table 7-5 below, is a key factor driving the size of housing that will be needed in Charlton in future. Data for the parish differs from that of the district in a variety of key areas.

129. What is notable is that there slightly fewer one person households in Charlton (25.4%) compared to the rest of England (30.2%), which results in a larger proportion of one family households (70%) when compared to Test Valley (69.2%) and England (61.8%).

130. When looking at the breakdown of households composition with these two categories, it is clear that there is a larger proportion of these one person households that are over the age of 65 (14.2%) in Charlton when compared to Test Valley (12%) and England (12.4%), however there are slightly less in the 'other' category (11.1%) when compared to Test Valley (12.9%) and England (17.9%). The 'other' category is made up of multi-adult households such as those sharing, which may or may not include children.

131. Additionally, when looking at one family households, there is a larger presence of those over the age of 65 in Charlton (12.5%) compared to Test Valley (10.3%) and England (8.1%). The other difference that is worth noting is the slightly lower proportion of one family households with dependent children in Charlton (21.8%) compared to Test Valley (27.5%). Additionally, the proportion of one family households with no children in Charlton (25.6%) is greater than Test Valley (22.1%) and the rest of England (17.6%).

132. Overall, this highlights that there is a greater number of older one person and one family households in the NA compared to the rest of the district, combined with the slightly lower proportion of families with dependent children, which could lead to the assumption that the population is aging with the NA.

Table 7-4: Household composition, 2011

Type		Charlton	Test Valley	England
One person household	Total	25.4%	24.9%	30.2%
	Aged 65 and over	14.3%	12.0%	12.4%
	Other	11.1%	12.9%	17.9%
One family only	Total	70.1%	69.2%	61.8%
	All aged 65 and over	12.5%	10.3%	8.1%
	With no children	25.6%	22.1%	17.6%
	With dependent children	21.8%	27.5%	26.5%
	All children Non-Dependent	10.1%	9.3%	9.6%
Total		4.5%	5.9%	8.0%

Source: Census 2011, AECOM calculations

133. It is also revealing to consider changes in household composition in Charlton between the 2001 and 2011 Censuses; as the PPG makes clear, changes should be used to determine whether, should such trends continue, future housing needs will be met by the existing housing stock. From table 7-6 below we can see that there have been significant increases, though from a low base, of families over 65 (36.4%), as well as an increase in households with no children (4.9%). Additionally, all one person household totals have increased (8.7%) with those one person households over 65 increasing by 12.1% and those falling into the 'other' category increasing by 4.5%. There have also been significant decreases in households with dependent (-20.1 %) and non-dependent children (-10.5%). These trends differ significantly from those seen across Test Valley and indeed England.

**Table 7-6: Rates of change in household composition in Charlton 2001-2011**

Type		Charlton	Test Valley	England
One person household	Total	8.7%	10.5%	8.4%
	Aged 65 and over	12.1%	0.9%	-7.3%
	Other	4.5%	21.2%	22.7%
One family only	Total	-3.0%	5.6%	5.4%
	All aged 65 and over	36.4%	18.0%	-2.0%
	With no children	4.9%	6.5%	7.1%
	With dependent children	-20.1%	0.3%	5.0%
	All children non-dependent	-10.5%	7.6%	10.6%
Other household types	Total	18.8%	28.1%	28.9%

Source: Census 2011, AECOM calculations

7.4   Factors affecting size of housing needed: age structure

134. Given that the way the Census considers household composition is clearly related in part to age and different stages in life, it is also relevant to consider the age structure of the population in Charlton. Figure 7-1 below shows that Charlton has far more people in middle age and far fewer younger adults relative to Test Valley and England. There are also fewer teenagers and children. This points to an ageing population, as well as a group of people who may have moved to the village to raise their children, and stayed as their children grew up, with children then leaving the village upon forming their own households.

Figure 7-1: Age structure in the NA
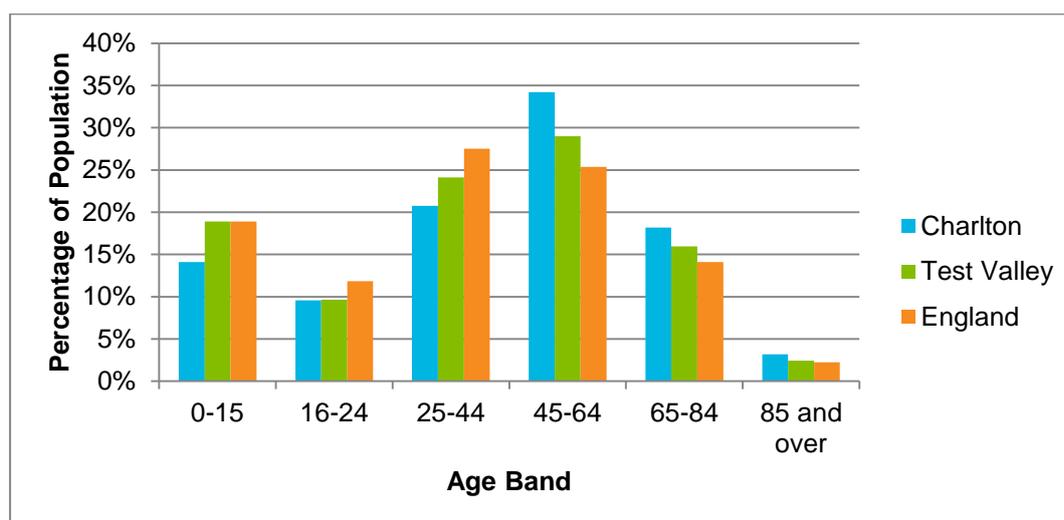
Source: Census 2001 and 2011, AECOM calculations

135. Table 7-7 below confirms the picture that the rate of change of the younger half of the population has increased marginally, with the 25-44 age categories decreasing by 27.6%, when compared to the age categories age 65 and over age categories which has seen a significant increase between the census period. This trend is not the same for Test Valley and the rest of England, which has generally seen a more gradual increase across all the age groups. There has been a significant increase in those ages 65-84 years old, which is considerably higher than Test Valley and England, this trend is seen to be exacerbated in the 85 and over age group. Overall, this suggests an ageing population and is likely to be due to wider demographic shifts experienced across the borough with people living longer, but this appears to be happening in a more extreme way in Charlton. In addition, it appears the young adults who have left home are leaving the neighborhood area and young couples are not moving into the area.

Table 7-7: Rate of change in the age structure of the population of Charlton, 2001-2011

Age group	Charlton	Test Valley	England
0-15	-29.1%	-4.5%	1.2%
16-24	0.5%	12.8%	17.2%
25-44	-27.6%	-11.7%	1.4%
45-64	3.9%	18.1%	15.2%
65-84	36.7%	29.2%	9.1%
85 and over	210.0%	33.8%	23.7%

Source: Census 2011, AECOM calculations

136. Table 7-8 below shows the projected population for Test Valley at the end of the Plan Period. It highlights that the projections from 2018 to 2036 are most likely to increase in the older age groups, those ages 65+ and those ages 15-44. The over 80 age group is predicted to increase by 3.9% and the 15-29 age group is predicted to decrease by 0.2%. Those between the ages of 0-14 and 45-64 are predicted to decrease over the next 10- years, with the largest decrease of 4% in those ages 45-64. This trend is broadly similar to the pattern of growth shown in table 5-7 above. However, as generally the ageing population has been more pronounced in Charlton than Test Valley and national data, this tread is likely to continue at a more exacerbated scale resulting in a more pronounced ageing population in the NA.

Table 7-8: Rate of population growth in Test Valley

Age	2018 population projection s	% (grouped)	2036 Projection Figures in thousands (to one decimal place)	% Change (grouped)
0-4	7.1	17.8%	7.2	16.7%
5-9	7.8		7.8	
10-14	7.3		8.1	
15-19	6.3	14.7%	7.4	14.5%
20-24	5.5		5.8	
25-29	6.5		6.8	
30-34	6.8	17.5%	6.7	16.1%
35-39	7.3		7.2	
40-44	7.7		8.3	
45-49	9.2	28.3%	8.9	24.3%
50-54	9.7		8.4	
55-59	8.9		8.3	
60-64	7.5		8.1	
65-69	7.3	15.7%	8.9	18.2
70-74	7.4		9.0	
75-79	4.9		7.6	

80-84	3.8	5.9%	5.9	9.8%
85-89	2.2		4.6	
90+	1.3		3.4	
All ages			138.4	
	124.7			

Source: ONS

7.5 Conclusions

137. Bringing together the evidence from our consideration of household composition and age structure in Charlton in comparison to Test Valley, it is clear that the Parish has experienced a growth in the proportion of the population who are middle aged and older, and a corresponding fall in the proportion of younger people. This may be because fewer young people are coming into the village, and/or some children born in the NA may be growing up and leaving. These points to an emerging demographic imbalance that may be addressed through planning policy.

138. Given these shifts in age structure and composition, it is necessary to understand the wider housing market context and how this relates to the future housing needs; this will enable us arrive at a view on the types and sizes of housing needed in future.

139. In Table 7-8 below we reproduce Figure 54 from the SHMA 13; this puts forward a strategic mix of dwellings at the level of the Housing Market Area (HMA) and it is helpful to consider whether this mix would be appropriate for the NA, given the evidence we have gathered in this study. The SHMA 13sets out an annual requirement for 420 and 590 dwellings per annum across the Plan period. The lower end of the range is driven by past demographic trends and actually sits above the latest CLG projections whilst the upper end is driven by the highest of the economic projections when linking employment rates to past trends in the Labour Force Survey. The mix is considered to be the most up-to-date data to refer to and suggests a predominance of 3 (35%) and 3 (35%) bedroom properties for all housing with the dominance of market housing being 3 bed (45%) and 3 beds (35%)and the majority of affordable housing being 1 (40%) and 2 bed (35%) homes.

Table 7-8: Conclusions regarding strategic mix of housing in the Housing Market Area

FIGURE 54	1-bed	2-bed	3-bed	4+ bed
Market	10%	35%	45%	10%
Affordable	40%	35%	20%	5%
All housing	20%	35%	35%	10%

Source SHMA

140. Area specific data for the Andover Sub market area shown in table 7-9 on the following page This shows that in the market sector within Andover (Charlton falls within the Andover sub-area) should aim to provide the majority of 2-3 bedroom dwellings (83%), with 12% 1 bedroom dwellings and the affordable sector should aim to provide the majority 1-2 bedroom dwellings (82%) and 17% 3 bedroom dwellings.

Table 7-9 Conclusions regarding strategic mix of housing sub-areas in the Housing Market Area

Figure 8.11: Estimated dwelling requirement by number of bedrooms (2011 to 2031) – Market Sector				
Sub-area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Andover	12%	39%	43%	6%
North – Rural	6%	31%	49%	13%
Central – Rural	8%	31%	42%	18%
Romsey	14%	33%	45%	8%
South - Rural	8%	36%	45%	11%
Test Valley	11%	35%	45%	10%

Source: Housing Market Model

Figure 8.12: Estimated dwelling requirement by number of bedrooms (2011 to 2031) – Affordable Sector				
Sub-area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Andover	49%	33%	17%	2%
North – Rural	35%	42%	22%	1%
Central – Rural	40%	32%	26%	1%
Romsey	43%	34%	21%	2%
South - Rural	42%	36%	20%	2%
Test Valley	43%	35%	20%	2%

Source: Housing Market Model

141. The SHMA recommends the development of family sized homes based upon the following:

   • larger family homes play a role in releasing supply of smaller properties for other households

   • one bedroom properties provide limited flexibility to changing household circumstances which feed through into higher turnover and management issues.

   • Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2 and 3 beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

142. The NP group have stated the need for smaller properties for those to downsize within the neighbourhood area. With 3 bedrooms.

143. The strategic mix of housing above taken from the SHMA13 suggests that, across both affordable and market tenures, 55% of housing would be two or fewer bedrooms, as shown by working out the percentage from table 5-8 previously. Indeed, this is likely to produce a housing mix within which smaller dwellings represent a smaller proportion than the current one in Charlton, where in fact less than 3.5% of homes are this size.

144. It is likely that the housing mix for market housing in Test Valley is likely to be more appropriate in Charlton than that for all tenures, i.e. 40% of homes should be one-two bedrooms. The delivery of such a mix could also help to reverse the trend of younger adults leaving the area, or being unable to move into it, likely due to affordability pressures.

145. We have already set out AECOM's recommendations for the sizes of housing needed in future. Neighbourhood plan policies can provide guidance as to the sizes of homes that should be developed, however the extent to which this guidance will be delivered is subject to the viability of individual housing schemes.

8.   Conclusions

8.1   Findings and Recommendations

146. Below, in Table 9-1 we summarise factors affecting the type of housing needed in Charlton, and our recommendations:

Table 8-1: Summary of local factors specific to Charlton with a potential impact on neighbourhood plan housing characteristics

Factor	Evidence
Quantity	The housing requirement from the Local plan generates a Housing Needs Figure (HNF) of **around 285 homes** for Charlton based on the emerging Local plan.
Tenure and affordability	For households on lower incomes, their options in regard to housing in Charlton are very limited. For example in order to cover the average rent on the least expensive form of Affordable Housing, these households may need to **reduce spending on other basic goods and services**. This makes the provision of housing for Social Rent a priority in the neighbourhood. Those on median incomes would be able to afford **social housing priced at this income group**, but also have the **option of Shared Ownership** if they are seeking to buy a home. Even households with above average incomes will **struggle to afford even the cheapest for-sale homes**. We recommend a tenure split of **20% offering 'routes to home ownership'** of which half should be Starter Homes and half Shared Ownership and **80% Affordable Housing for rent**, of which 60% should be Social Rent and 40% Affordable Rent.
Type and size	To satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, we recommend that **40% of houses in new developments be one-two bedroom homes**. Bungalows appeal to an elderly population and this particular type should be promoted to meet the demand of a growing elderly population.

8.2   Recommendations for next steps

147. This neighbourhood plan housing needs advice has aimed to provide Charlton with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with TVBC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic policies in the adopted local plan;

- the views of LPABC – in particular in relation to the housing need figure that should be adopted;

- the views of local residents;

- the views of other relevant local stakeholders, including housing developers;

- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by TVBC, including but not limited to the SHLAA;

- the recommendations and findings of this study; and

- The impact of the Government's Standard Methodology on calculating housing need for TVBC and the neighbourhood plan areas within it.

148. Recent changes to the planning system, changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

149. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

150. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by TVBC or any other relevant body and review the neighbourhood plan accordingly to ensure that there are no disparities.

151. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1) would help ensure relevance and credibility of its policies.

Appendix A: : Calculation of Affordability Thresholds

A.1   Market Housing

152. Given the limited quantity of Affordable Housing (AH) in the NA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.

153. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

154. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denotes the maximum share of a family's income that should be spent on accommodation costs, and thirdly 'Purchase Thresholds' (PT), which denotes the standard household income requirement to access mortgage products.

A.2   Market sales

155. The starting point for calculating the affordability of a for sale dwelling (Purchase Threshold) for a given household is the loan to value ratio to which most mortgage companies are prepared to agree. This is conservatively estimated to be 3.5. We note that to produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first time buyer) should be taken into account. However, this data is not available for Charlton, an assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

   - The calculation is therefore
   - Value of an 'entry level dwelling'[32] £238,000
   - Purchase deposit = £23,800 @10% of value
   - Value of dwelling for mortgage purposes = £214,200
   - Loan to value ratio = 3.5 of value of mortgage
   - Purchase Threshold = **£74,200**

A.3   Private rented sector (PRS)

156. Income thresholds are used to calculate the affordability of other tenures of housing, rented and AH tenures. Households are deemed to be able to afford private rent if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% for households with incomes of more than £40,000 per annum.

157. For the purposes of arriving at an understanding of lower quartile private rent, an assumption is made this equates to the average rent paid for in the NA for a two bedroom dwelling (enough space for two or three individuals). In order to conform with the Government guidance on overcrowding[33], such a home would require three habitable rooms (a flat or house with two bedrooms). We have turned to the property website Home.co.uk to establish the rental values for property in the NA. The best available data is derived from properties available for rent within the SP10 4AR postcode area, with a 0.4 miles radius which covers the majority of the Parish area. Moreover, it forms a larger geography with a greater number of example properties; the larger sample size is likely to generate more robust findings.

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[32] Entry level dwelling can be understood to mean the average value of dwellings falling into the lower quartile of house prices in the NA. For the purpose of this exercise, we have used the LQ house price in Table 5-4 [House prices (Charlton) 2017]

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

Table 8-2: Rental sector statistics (two Bedroom Homes) in SP10 postcode area versus county average

		REGIONAL AREA
Average property rents (pcm)	£825	£884

Source: Home.co.uk

158. It is possible to derive from this data the estimated income threshold for PRS dwellings in the NA; the calculation is therefore

- Annual rent = £825 x 12 = £9,900

- Multiplied by 4 = £39,600

- Income Threshold (PRS) = **£** 39,600

159. The new NPPF acknowledges that Build to Rent dwellings have a role to play in providing affordable market homes, and may contribute to AH need where they include a component of Affordable Private Rent. **It is therefore appropriate for policy in Charlton to support Build to Rent development**.

A.4   Affordable Housing

160. We identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2018 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

161. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

162. A good example is, in 2012, the introduction of dwellings for Affordable Rent, rent for this tenure is set at up to 80% of market rent, with intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

163. The overall aim is to reduce the group who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

164. We consider each of the AH tenures in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

Social Rent

165. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.

166. To determine social rent levels we have used the Data and Statistical Return (DSR) from the HCA. This data is only available at the District level, but operates as an acceptable proxy for Charlton given the shared demographic and employment characteristics identified in this study between the two geographies. DSR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 7-4 below.

Table 8-3: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent (Weekly)	£94.50	£110.30	£121.60	£126.6	£111.20
Annual average	£4,914	£5,735.60	£6,323.20	£6,583.20	£5,782.40
Income needed	£19,656	£22,942.40	£25,292.80	£26,332.80	£23,129.60

Source: HCA, AECOM Calculations

Figure 36: Test Valley Monthly average social rent levels

Area	1 bed	2 bed	3 bed	4 bed
Andover	412	485	503	611
North Rural	416	464	524	N/A
Central Rural	429	490	628	N/A
Romsey	433	520	589	656
South Rural	412	451	N/A	N/A

Source: Hampshire Homechoice (2015 - 16)

167. Given the household income levels reported in the SHMA15, it is appropriate that a substantial portion of the AH dwellings coming through the planning system are for Social Rent.

Affordable Rent

168. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.

169. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen the annual entry-level rent is £9,900. In the event of a 20% reduction in rent to £7,920, the IT would come down to £31,680 bringing rents within closer reach to those on lower income.

170. To validate this data we will check this against the Data and Statistical Return (DSR) from the HCA as above) and is presented in Table 7-5 below.

Table 8-5: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent (Weekly)	£112.70	£142.60	£161.40	£187.20	£141.80
Annual average	£5,860.40	£7,415.20	£8,392.80	£9,734.40	£7,373.60
Income needed	£23,441.60	£29,660.80	£33,571.20	£38,937.60	£29,494.40

Source: HCA, AECOM Calculations

Figure 37 shows potential affordable rents at 80% of market cost by size of property (including service charge).

Area	1 bedroom Affordable rent	2 bedrooms Affordable rent	3 bedrooms Affordable rent	4 bedrooms Affordable rent
Andover	451	667	741	676
North – rural	490	585	780	n/a
Central – rural	n/a	598	n/a	n/a
Romsey	n/a	620	689	n/a
South - rural	507	693	841	n/a

Figure 37: Affordable Rent per Test Valley Sub Area 2015/16

Source: Hampshire Homechoice

Intermediate Tenures

171. 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. They can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

8.2.1.1   Starter Homes

172. Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. In paragraph 64 of the NPPF18, the Government introduces a recommendation that *"where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership".*

173. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, *"in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".*

174. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

175. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city; they are eligible for first time buyers aged under 40.

176. The decision whether to treat Discounted Market Sale Homes (DMSH) as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.

177. So as to provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling of £238,000.

178. Applying a discount of 20% arrives at the approximate selling price of £190,400. Allowing for a 10% deposit further reduces the value of the property to £171,360. The IT at a multiple of 3.5 is £48,960. The income required is significantly higher than the median income for Charlton (£27,734) for households in need of housing, and although building Starter Homes would reduce affordability pressures, home ownership would still remain out of reach for many people.

179. Notwithstanding, given the gap between the IT for PRS (£39,600) and the Purchase threshold (££74,200), it is plausible that Starter Homes will provide a route to home ownership to those currently renting; it is therefore appropriate for this tenure to be including the the housing mix in Charlton.

8.2.1.2   Shared Ownership

1.   As we have seen, there are very few shared ownership dwellings in Charlton (8 at the time of the last Census). Nevertheless, it is worth considering its future role.

180. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (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 both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.

181. To determine the affordability of shared ownership, calculations are based on the lower quartile house price for Charlton in 2017[34] (£238,000). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the IT for PRS)

182. A 25% equity share of £238,000 is £59,500, from which a 10% deposit of £5,950 is netted off. The mortgage value of £53,550 (£59,500 - £5,950) is then divided by 3.5. To secure a mortgage of £53,550, an annual income of £15,300 (£53,550 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £178,500. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £4,462.50 and requires an income of £17,850. Therefore, an income of around **£33,150** (£15,300 + £17,850) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.

183. A 50% equity share of £238,00 is £119,000, from which we are netting off a 10% deposit of £11,900. The mortgage cost of £107,100 (£119,000 - £11,900) is then divided by 3.5. To secure a mortgage of £107,100, an annual income of £30,600 (£107,100/ 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, the unsold value of £119,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,975, requiring an income of £11,900. Therefore, an annual income of around **£42,500** (£30,600+ £11,900) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.

184. A 75% equity share of £238,000 is £178,500, from which we are netting off a 10% deposit of £17,850. The mortgage cost of £160,650 (£x178,500 - £17,850) is then divided by 3.5. To secure a mortgage of £160,650, an annual income of £45,900 (£160,650 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, the unsold value of £59,500. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,487.50, requiring an income of £5,950. Therefore, an annual income of around **£51,850** (£45,900 + £5,950) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

185. Given these values, again noting where these values fall in relation to Affordable Rented dwellings, PRS and for sale homes, Shared Ownership offers an alternative choice to people currently in rented accommodation seeking to move over to a tenure that offers a route to home ownership. For this reason it is reasonable to include this tenure within the housing mix at Charlton.

Affordability Thresholds (Income required, £)

Tenure	Cost of purchase	Annual rent	Income Required
Entry level Market Sale	£238,000	N/A	£74,200
Shared ownership (75%)	£178,500	£1,487.50,	£51,850
Starter Homes	£171,360	N/A	£48,960

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[34] It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also include resale properties.

Market Rent - Entry-level	N/A	£9,900	£ 39,600
Shared ownership (50%)	£119,000	£2,975	£42,500
Shared ownership (25%)	£59,500	£4,462.50	£33,150
Affordable Rent	N/A	£7,920	£31,680
Social Rent - 3 Bed Dwelling	N/A	£5,735.60	£22,942.40
Social Rent - 2 Bed Dwelling	N/A	£6,323.20	£25,292.80

Source: AECOM Calculations

Appendix B : Housing Needs Assessment Glossary

Adoption

The final confirmation of a local plan by a local planning authority.

Affordability[35]

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)/Intermediate Housing[36]

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents 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. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). 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.

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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[35] http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf
[36] https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary

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[37]
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/ underoccupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report

Co-living

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

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build hosuing, 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[38]

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

Concealed Families (Census Definition)[39]

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

Equity Loans/Shared Equity

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

Extra Care Housing[40]

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though

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[37] https://www.gov.uk/government/publications/english- housing- survey- 2011- to- 2012- headline- report
[38] https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary
[39]http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf
[40] http://www.housingcare.org/jargon-extra-care-housing.aspx

increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Fair Share

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

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, less 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 (PPG Definition)[41]

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, such as Starter Homes, the Government's flagship 'housing product'.

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 interms 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 a number of households, 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, including 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)

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[41] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

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 2001-2011

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 at 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 the parish level so District level data is employed on the basis of the NA falling within a 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 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 and the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

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, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

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 (PPG Definition)

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. It is the opposite of affordable housing.

Mean (Average)

The sum of all values divided by the number of values.   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[42], 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 Plan

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

Older People

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

Output Area/Lower Super Output Area/Middle Super Output Area

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

Overcrowding

There is no one 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,

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

bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence (PPG Definition)

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 payed 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.

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 units without grant funding.

Shared Ownership

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

Sheltered Housing[43]

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

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

Strategic Housing Land Availability Assessment (NPPF Definition)

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 LAA (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, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents 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.[44]

Appendix X

AECOM Comment Actions
Date:
(Significant comments relating to information and opinion, not dealt with in your Final Report)

Comment No. or Summary	AECOM Action or Non-Action	Explanation
e.g. historical information not assessed and included	*Read and noted, but no change*	*We recognise this is valuable local context, but isn't relevant to this particular assessment or design. There is no reason why the group can't offer this as overall contextual material in the introduction to the neighbourhood plan.*
e.g. photos sent not used	*Those of sufficient quality and relevance used*	*Lack of location information and apparent relevance with some of the photos*

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

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