

Penn Parish

Housing Needs Assessment (HNA)

October 2022

Quality information

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List of acronyms used in the text:

AONB	Area of Outstanding Natural Beauty
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Super Output Area
MSOA	Middle Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PPNPG	Penn Parish Neighbourhood Plan Group
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
SPD	Supplementary Planning Document
VOA	Valuation Office Agency

1. Executive Summary

1. Penn Parish is a Neighbourhood Area located in the newly formed unitary local authority area of Buckinghamshire since April 2020. Prior to April 2020, Penn Parish was located in the (now abolished) local authority area of Chiltern District. In practice 'convenient local government' and many day-to-day Unitary Council services are provided from the old Chiltern District Council offices in Amersham. The Neighbourhood Area boundary covers the areas administered by Penn Parish.
2. The Office for National Statistics mid-2020 population estimate for Penn Parish is 4,217 individuals, showing an increase of 256 individuals since the 2011 Census.
3. The 2011 Census records a total of 1,627 dwellings in Penn Parish. Since then, there has been a modest level of development in the Parish. According to Buckinghamshire Council completions data from 2010/11 to 2021/22, a total of 89 dwellings (tenure unknown) were completed. As of 31 March 2022, outstanding commitments total (net) 12 dwellings (2 of which are marked as 'under construction'). The total quantity of dwellings in the NA in 2022 is therefore estimated to be 1,718 (2011 Census + completions + 'under construction').
4. This Executive Summary details the conclusions of each chapter of the report, addressing the two research questions formulated at the outset of the research.

Tenure and Affordability

5. Approximately 86% of Penn Parish's dwellings are in market ownership tenures. This percentage is significantly higher than both the ownership mix for Chiltern District (77%) and England (63%). Market rent tenures account for 7% of the Parish's total tenure mix – this is lower than the equivalent proportion for Chiltern District (9%) and England (17%). Penn Parish has a notably small offering of dwellings in affordable tenures, with Social Rent and Shared Ownership tenures accounting for 5% and 1%, respectively, of the Parish's tenure mix. The proportion in Shared Ownership tenures is consistent across all three geographies, however, Penn Parish has a notably lower proportion of dwellings in Social Rent tenures compared to both Chiltern District (12%) and England (18%).
6. Penn Parish has clear affordability issues, and consequently it has become an extremely challenging area to get onto the market ownership property ladder. This is exemplified by calculations which suggest that households earning average income in the area are unable to access any form of market rent or ownership tenures. This issue has likely been made worse by rising housing costs in the Parish (with the median house price rising 61% between 2012-2021).
7. An offering of Affordable Housing tenures will be necessary in Penn Parish to bring housing to attainable prices for many households of varying home ownership/renting aspirations:
 - Whilst First Homes offers sizable discounts on home ownership, the tenure is not considered affordable for average income households in the area at all discounts. The 50% discount would be the most appropriate in the area, given

that it brings the cost of ownership to the most affordable levels of the three, however, this tenure type would still require average households to sacrifice a significant proportion of their salary, to the extent that it would still be an unrealistic option for the majority of average earning households. A minimum share of 10% of all new housing, and 25% of all new affordable housing, is required to be delivered on First Homes tenures. Given the relative unaffordability of this tenure, it is recommended that the minimum number of units of First Homes tenures are offered.

- Shared Ownership at 10% equity is the cheapest way that home ownership can become attainable, however, remains outside of the affordability thresholds for average earning households. Shared Ownership at 25% and 50% are more expensive than Shared Ownership at 10%, and, therefore, are also considered unaffordable for average earning households. Therefore, ideally the 10% equity units should be sought on future developments to offer at least one route to affordable ownership to as many households as possible.
 - A small offering of Rent to Buy tenures will be useful for households who lack sufficient deposits rather than sufficient incomes.
 - Social Rent tenures are vital for average earning households and below. This is especially the case for households on two lower quartile income earners, who without these discounts would likely be priced out of the area. Unfortunately, the affordable/social rent tenures are not considered affordable for single lower quartile earners, though they may be able to access additional subsidy.
8. According to Buckinghamshire Council data, there are currently nine applicants on the housing register in Penn Parish. Over the NP period, our calculations suggest that a further six households will fall into affordable renting need, creating a total demand for 15 dwellings over the NP period. It is expected that a modest number of re-lets for affordable rents in the area will accommodate some of this need by the end of the NP period. Overall, our calculations, suggest that nine additional dwellings in social/affordable rent tenures are needed in Penn Parish by the end of the NP period. In contrast, it is estimated that 83 households are expected to be in potential demand of Affordable Housing ownership options.
9. A 60% rent to 40% ownership split is suggested for new Affordable Housing in Penn Parish to strike a balance between providing housing for those with the most acute needs (households seeking affordable rented tenures) whilst also addressing the affordability issues and larger scale of demand associated with market ownership. In ideal conditions, a much higher proportion of ownership tenures would be recommended due to the high number of households calculated in need; however, given their relative unaffordability, and the likelihood that room for developments in the Parish will be limited, it is recommended that a higher weighting is allocated to affordable/social rents.
10. Penn Parish has not been provided with a housing delivery allocation in the current or emerging Local Plan, however, a modest development which includes affordable/social rent tenures would likely satisfy the affordable renting need in the Parish. Given the scale of potential demand for affordable ownership, it is unlikely that the need will be satisfied by the end of the NP period.
11. Pro-rating the SHMA annual need figure for Chiltern District, and projecting it over the NP

period, would give Penn Parish a total affordable need figure of 80 units of the NP period. In a hypothetical scenario where 80 units of Affordable Housing were delivered over the NP period, and a 40% ownership to 60% rent split was achieved, it could be expected that 48 units would be delivered in social/affordable rents and 32 units would be delivered in affordable ownership tenures. It is important to emphasise that Penn Parish does not have a housing delivery target; therefore, the pro-rated SHMA affordable need figure of 80 should not be considered a definitive delivery target.

Type and Size

12. This HNA provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the Parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
13. Penn Parish's housing type mix is weighted towards the less dense housing types, with detached (70%) and semi-detached houses (14%) accounting for the majority of the Parish's dwelling stock. Consequently, the proportion of terraced and flats are much lower in Penn Parish, accounting for 9% and 7%, respectively, of the area's total stock. The high proportion of less dense housing is not consistent with the district and nation's housing type mixes, which have more balanced proportions of different housing types.
14. The most notable difference between the type mix of Penn Parish and the two wider geographies is the proportion of detached dwellings: 70% of the Parish's stock is detached, whereas for the equivalent figures for Chiltern District and England are 44% and 22%, respectively. Whilst Penn Parish has a relatively high proportion of family households compared to Chiltern District and England (which would mean the area may be more appropriate for larger-sized, and potentially detached dwellings), it can still be considered that Penn Parish has an overweighting of detached units in its type mix. Therefore, there is certainly room in Penn Parish's future housing stock to increase the proportion of other dwelling types – be it for reasons of efficient use of land, practicality or affordability.
15. Penn Parish's size mix is weighted towards larger-sized dwellings, with two thirds of the Parish's total stock having four-or-more bedrooms. This is consistent with the Parish's type mix, which has a high proportion of detached dwellings (which are generally larger in size than other dwelling types).
16. As with most areas in the UK, Penn Parish's population is slowly ageing. The ageing of the population is, however, expected to accelerate into the future, with Penn Parish's household age bands at 65-and-over expected to grow around 47% by 2043 - this would mean that the 65-and-over age band will surpass the 35-54 households age band as the most common in the Parish. The only other household age band expected to experience growth is 55-64 (+10%). The age bands of 35-54 and younger are all projected to experience no growth or decline by 2043.

17. The current stock of four- and five-or-more-bedroom dwellings would appear to meet Penn Parish's future needs based on modelling that analyses population change and the existing dwelling stock. To achieve Penn Parish's 'ideal' dwelling mix by 2039, future housing development might focus its delivery towards small- to mid-sized units (especially three-bedroom units) to increase the variety of sizes available in the local housing stock.

2. Context

Local context

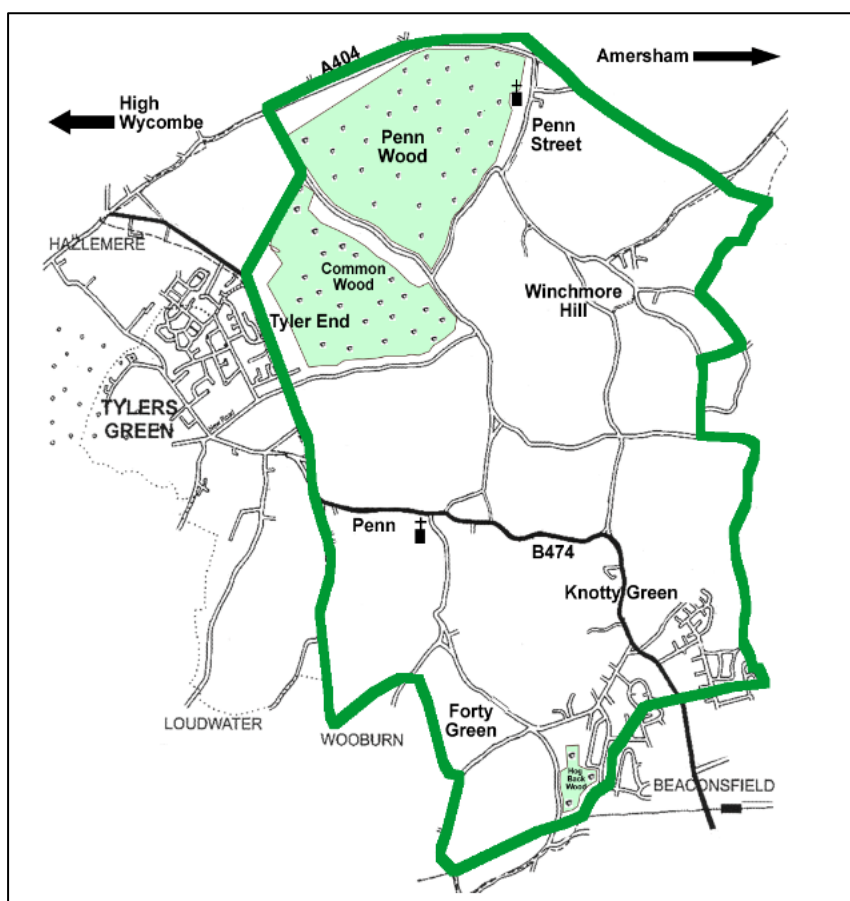
18. Penn Parish is a Neighbourhood Area (NA) located in the newly formed unitary local authority area of Buckinghamshire (designated in April 2020). Prior to April 2020, Penn Parish was located in the (now abolished) local authority area of Chiltern District. The NA boundary covers the areas administered by Penn Parish and was designated in 2022.
19. The proposed Neighbourhood Plan (NP) period starts in 2023 and extends to 2043, therefore comprising a planning period of 20 years. The evidence supplied in this report will look forward to the NP end date of 2043, but where possible will also provide annualised figures which can be extrapolated to a different term if the NP period changes.
20. Penn Parish is a rural parish, adjoined to Beaconsfield on its south-eastern border, and Tylers Green/High Wycombe on its western border.
21. Most of the NA falls under the Chiltern District Hills Area of Outstanding Natural Beauty (AONB), with only a portion of the south-western tip (by Forty Green and Knotty Green) and a small area along the western boundary falling outside of the protected area. Much of the NA also lies on Green Belt land. It is estimated that 80% of the Parish's land falls under Green Belt or AONB designations.
22. The NA is served by a range of cafes, pubs, churches, sports pitches (cricket and football), community halls and one primary school, distributed throughout its settlements. Penn Parish does not have a supermarket or convenience shop - the closest can be found in nearby settlements such as High Wycombe, Beaconsfield, or Amersham.
23. Finally, the Parish is served by several bus services, including: 577, 31, 73, 1, 1A and 1B. Additionally, volunteer driver and on demand commercial bus services are available to support older residents such as Village Care and Chiltern Dial a Ride.
24. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The NA equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - LSOA E01017782
 - LSOA E01017784
 - OA E00089733
 - OA E00089735
 - OA E00089734
25. The statistics show that in the 2011 Census the NA had a total of 3,961 residents, formed into 1,564 households, occupying 1,627 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Penn Parish is 4,217 – indicating population growth of around 256 individuals (or 6%) since 2011. It is worth noting that this figure is an

estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

26. Buckinghamshire Council have provided data on housing completions within the Parish between 2011-2021. The net number of new homes built in that time (after any that were demolished or replaced are deducted) is 89 (with a further net 12 outstanding commitments as of 31 March 2022, two of which are marked as 'under construction' in March 2022). Adding the net completions figure and 'under construction' figure to the 2011 Census starting point produces an updated estimate for total number of dwellings in the parish of 1,718 in 2022. The rate of housing completions since 2011 is well aligned with the estimated population growth of 256 individuals in the Parish.

27. A map of the NP area appears below in Figure 2-1.

Figure 2-1: Map of the Penn Parish Neighbourhood Area¹



Source: Penn Parish Council

The Housing Market Area Context

28. Whilst this HNA focuses on Penn Parish NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas (HMAs). HMAs are usually wider than local authority areas and often stretch across a number of districts or boroughs.

¹ Available at <http://Penn Parish parish.org.uk/>

This is because HMAs are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Penn Parish, it sits within an HMA which covers High Wycombe, Amersham, and Aylesbury.² This means that when households who live in these authorities move home, the vast majority move within this geography. Penn Parish is also strongly tied to the wider employment and housing trends of West London, with the Parish being a popular commuter area for people working in the Capital – PPNPG suggest that 80% of moves into Penn are former London residents.

29. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Penn Parish, are closely linked to other areas. In the case of Penn Parish, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. For example, housing developments in the nearby market town of High Wycombe may accommodate housing need from Penn Parish.
30. In summary, Penn Parish functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Buckinghamshire Council), it is useful to think about the role of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. NPs can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the NA and wider area.

Planning policy context

31. NPs are required to be in general conformity with adopted strategic local policies.³ In the case of Penn Parish, the relevant adopted Local Plan is the Chiltern District Local Plan (adopted in 1997, consolidated in 2011). The Local Plan was succeeded by the Core Strategy for Chiltern District (2011). The Core Strategy includes policies that will guide development within the District, including several on the topic of housing (see Table 2-1). Finally, a series of Supplementary Planning Documents (SPD) were produced to accompany the policies set out in the Core Strategy, including the Affordable Housing SPD (2012).
32. The adopted Core Strategy is now considered outdated, and therefore, there have been motions to update the Local Plan through the area's new planning authority – the unitary authority of Buckinghamshire Council (this replaced Buckinghamshire County Council, Chiltern District Council and three other neighbouring district councils, in 2020). It should be noted that in 2019 an updated Local Plan for South Bucks and Chiltern failed at examination stage.
33. The emerging 2036 Local Plan will cover the entire area of Buckinghamshire and is required to be produced by April 2025 (although PPNPG understand that this target date highly aspirational, suggesting it may take additional years to be ready). It is currently in

² Opinion Research Services (2016) 'HMAs and FEMAs in Buckinghamshire: Updating the evidence'. Available at: https://www.aylesburyvaledc.gov.uk/sites/default/files/page_downloads/2016%2006%2030%20Bucks%20HMA-FEMA%20update.pdf

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

the early stages of its development.

Policies in the adopted local plan

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

Table 2-1: Summary of relevant adopted policies in the Core Strategy for Chiltern District (2011)

Policy	Provisions
Policy CS1: The Spatial Strategy	<p>The spatial strategy for Chiltern District aims to protect the Chiltern Districts Area of Outstanding Natural Beauty and Green Belt by focussing new development between 2006 and 2026 on land within existing settlements not covered by those designations.</p> <p>‘Penn Parish and Knotty Green’ is identified as a ‘village excluded from the Green Belt’ – ‘limited development’ can occur in these areas. The remaining settlements and area within the Parish are not mentioned in the Policy; consequently, it can be assumed that there will be few to no developments in these areas.</p> <p>Whilst the ‘Penn Parish and Knotty Green’ area is identified to be excluded from the Green Belt, development area in the Parish is still constrained by AONB and Conservation Area designations.</p>
Policy CS2: Amount and distribution of residential development 2006-2026	<p>Built-up areas of other villages excluded from the Green Belt (i.e. Chalfont St Giles, Great Missenden, Prestwood & Heath End, Holmer Green, Penn Parish & Knotty Green, Chesham Bois, Seer Green) are expected to deliver 550 dwellings (combined) by 2026.</p> <p>Green Belt Villages and Infill in Rows of Dwellings are expected to deliver 70 (combined) dwellings by 2026.</p>
Policy CS8: Affordable Housing	<p>For new developments of over 15 dwellings, at least 40% should be offered in affordable tenures.</p> <p>In developments of less than 15 dwellings there should be:</p> <ul style="list-style-type: none"> – At least 4 affordable housing units on sites which have 12-14 dwellings; – At least 3 affordable housing units on sites which have 10 or 11 dwellings; – At least 2 affordable housing units on sites of 8 or 9 dwellings; and – At least 1 affordable housing unit on sites of 5-7 dwellings. <p>On sites of 1 to 4 dwellings, a financial contribution for each new dwelling towards the provision of affordable housing elsewhere in the District.</p> <p>On rural exception sites as described in Policy CS9 (see below), all the dwellings must be affordable.</p>

Policy	Provisions
CS9: Affordable Housing in Rural Areas	<p>Exceptionally, land adjoining or closely related to the existing built-up areas of settlements or villages, which would otherwise be considered inappropriate for development, may be developed to provide affordable housing for the community.</p> <p>The conditions are that:</p> <ul style="list-style-type: none">– There is an established need;– The housing comprises of 100% affordable housing;– The housing is provided for people with a strong and demonstrable local connection;– The housing remains affordable in perpetuity; and– The development is small-scale, no greater than required to meet the current need and respects the setting, form, and character of the settlement and the surrounding landscape.
Policy CS10: Affordable Housing Type	<p>Within the affordable housing secured through Policy CS8, this policy seeks a minimum of 70% social rented and a maximum of 30% intermediate housing.</p>
Policy CS11: Affordable Housing Size	<p>The council will seek and promote the following mix in respect of the affordable element of housing schemes:</p> <ul style="list-style-type: none">– Where less than 10 affordable dwellings are proposed they should all be one- and two-bedroom dwellings;– Where 10-14 affordable dwellings are proposed one three-bedroom dwelling shall be provided with the remainder being one- and two-bedroom dwellings;– Where 15-19 affordable dwellings are proposed two three-bedroom dwellings shall be provided with the remainder being one- and two-bedroom dwellings;– Where 20 or more affordable dwellings are proposed 20% of those dwellings shall have three bedrooms with the remainder having one and two bedrooms. <p>This is seen as guide and the council will consider varying percentages on a site-by-site basis.</p>
Policy CS12: Specialist Housing	<p>This policy highlights areas within Chiltern District that are given priority for the delivery of specialist housing for the elderly.</p> <p>Penn Parish is not listed as a priority area.</p>

Source: *Core Strategy for Chiltern District (2011)*

Quantity of housing to provide

35. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood planning groups upon request with a definitive or an indicative number of houses to plan for over the NP period.⁴ However, Penn Parish has not been provided with an allocation figure in the adopted or emerging Local Plan. Buckinghamshire Council have confirmed to PPNPG that this is intentional, citing uncertainty around planning policy reforms affecting the progress of the emerging Buckinghamshire Local Plan. Although this

⁴ As confirmed by email from Buckinghamshire Council, August 2022.

leaves open the possibility that Penn Parish may be given a housing allocation in the future, for the purposes of this HNA, the Parish has an allocation of 0. However, while Penn Parish has no current target of its own, this does not mean that development is prohibited or capped at any specific level.

36. It is useful to note that a settlement capacity study in 2019 estimated that Penn Parish's housing capacity is '...0 dwellings from allocations and 94 dwellings from other sources' for the period off 2016-2036.⁵
37. Since 2016 there have been 44 completions and 12 commitments in Penn Parish - subtracting these two figures from the estimated capacity of 94 dwellings would leave the Parish with room for an estimated 38 additional dwellings by 2036.

⁵ Available at https://www.southbucks.gov.uk/media/15184/Settlement-Capacity-Study-Update-January-2020/pdf/Settlement_Capacity_Study_Update_January_2020_Final.pdf?m=637152255082100000

3. Approach

Research Questions

38. The following research questions were formulated at the outset of the research through discussion with the Penn Parish Neighbourhood Plan Group (PPNPG). They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

39. The PPNPG would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

40. This evidence will allow Penn Parish to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 1: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Type and Size

41. The PPNPG is seeking to determine what size and type of housing would be best suited to the local community.

42. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

43. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

44. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Relevant Data

45. This HNA assesses a range of evidence to ensure its findings are robust for the purposes

of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Office of National Statistics (ONS) population and household projections for future years;
- Other ONS datasets providing more up-to-date demographic information;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from rightmove.co.uk;
- Penn Parish Neighbourhood Plan Survey (December 2021);
- Local Authority housing waiting list data; and
- Chiltern and South Bucks Housing and Economic Needs Assessment 2019.

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

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

RQ 1: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

47. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the NP period. The scale of need for these homes can justify planning policies to guide new development.
48. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
49. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as *'housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers; and which complies with one or more of the following definitions'*.⁶ The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

⁶ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

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

50. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁷ Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

⁷ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents; and
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

51. The current tenure profile is a key feature of the NA. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
52. Table 4-2 presents data on tenure in Penn Parish compared with Chiltern District and England from the 2011 Census (the most recent available source of this information).
53. Firstly, Table 4-2 shows that the majority of Penn Parish's dwellings are in ownership tenures, at 86% - a percentage that is much higher than Chiltern District's mix (77%), and even higher than England's mix (63%).
54. Penn Parish has a small offering of dwellings on Social Rent and Shared Ownership tenures (the two Affordable Housing tenures in the table), featuring in proportions of 5% and 1%, respectively. The proportion in Shared Ownership tenures is consistent across all three geographies, however, Penn Parish has a notably lower proportion of dwellings on Social Rent tenures compared to both Chiltern District (12%) and England (18%).
55. The rate of households in private rented accommodation in Penn Parish is 7% - this figure

is lower than the equivalent proportion for Chiltern District (9%) and England (17%).

56. Buckinghamshire Council’s completions data (August 2022) did not provide a tenure breakdown of the 89 housing completions in Penn Parish since 2011, however, due to the modest number of completions, the overall tenure mix of Penn Parish is unlikely to have dramatically changed since 2011.
57. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census rates for renting - in Penn Parish the private rented sector expanded by 55% in that period, a rate of growth that was smaller than both Chiltern District (+75%) and England (+82%).

Table 4-2: Tenure (households) in Penn Parish, Chiltern District, and England, 2011

Tenure	Penn Parish	Chiltern District	England
Owned	85.5%	76.9%	63.3%
Shared ownership	0.8%	0.7%	0.8%
Social rented	4.9%	12.4%	17.7%
Private rented	7.4%	9.0%	16.8%

Sources: Census 2011, AECOM Calculations

Affordability

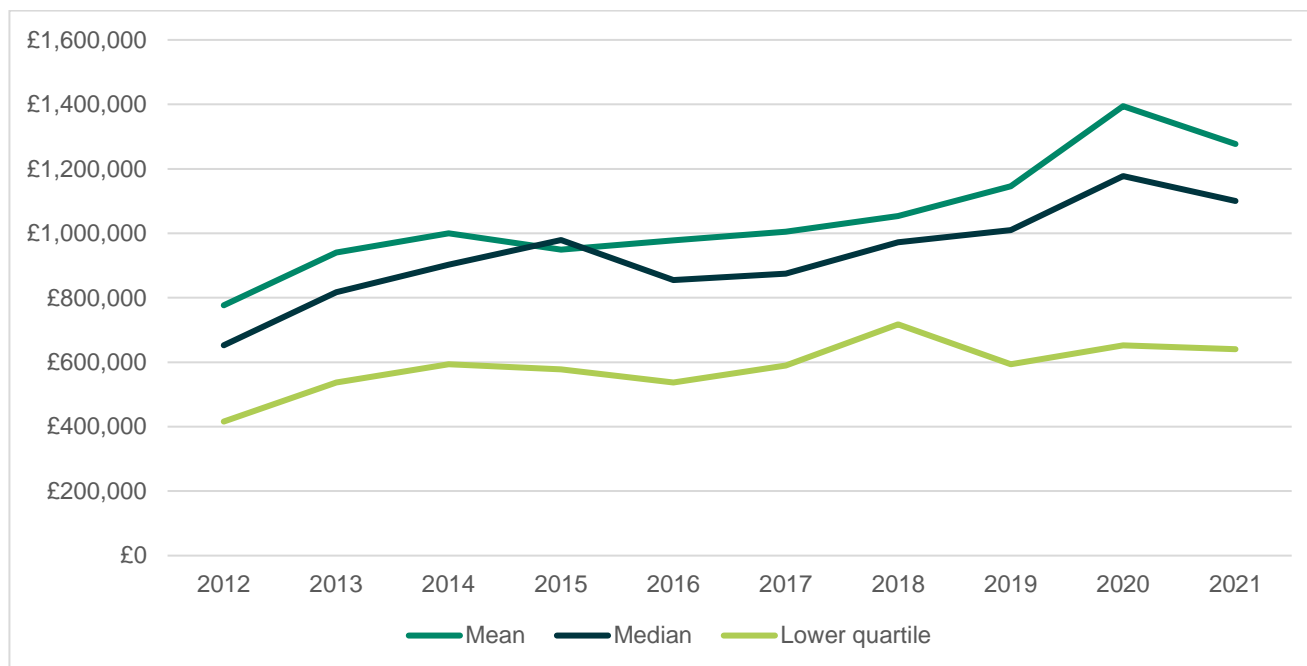
House prices

58. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
59. Figure 4-1 looks at the change in mean (the average), median (the middle value), and lower quartile (the value below which the lowest 25% of values fall) for house prices in Penn Parish based on sales price data published by the Land Registry.
60. An overall trend of house price appreciation has been seen throughout Penn Parish’s housing market between 2012 – 2021.
61. The period of 2012-2019 saw modest and steady growth for the average house price in the NA (with the exception of 2014-15, which was the only year that saw average house prices fall in the 2012-2019 period). Between 2019 and 2020 there was a sharp spike in house price, propelling the average to its peak on the graph, at £1,394,467. This was followed by a fall in average house price in 2021, but levels still remained above the 2019 average.
62. The trends in the graph have taken Penn Parish’s 2021 mean house price to £1,277,276,

the median to £1,100,00, and the lower quartile to £640,000. Overall, this means that the recorded measurements have risen since 2012 by 65%, 69%, and 54%, respectively.

63. Compared to Buckinghamshire, house prices in Penn Parish are significantly higher; in 2021 the mean, median, and lower quartile house prices for Buckinghamshire were 56%, 61%, and 53% lower than in Penn Parish.

Figure 4-1: House prices by quartile in Penn Parish, 2012-2021



Source: Land Registry PPD

64. Table 4-3 breaks down house prices by type and presents their median prices over the period of 2012-2021. It shows that the average growth for median house prices across all types grew by 69%. Looking closer at specific house types reveals that detached units saw the highest median growth, increasing by around 65%. The median price for semi-detached and terraced houses also grew, albeit at a lower rate, increasing by 49% and 42%, respectively.

65. The only house type that recorded a depreciation in price between 2012 and 2021 was flats, by 6%. This may be explained by the low number of flat sales in Penn Parish in each year; the figures are, therefore, likely to be influenced by housing size, condition, location and other characteristics, alongside general market conditions.

Table 4-3: Median house prices by type in Penn Parish, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£790,000	£1,012,500	£1,050,000	£1,127,500	£990,000	£990,000	£1,105,000	£1,267,500	£1,346,500	£1,300,000	64.6%
Semi-detached	£400,000	£361,500	£505,000	£500,000	£540,000	£660,000	£645,000	£540,000	£495,000	£595,000	48.8%
Terraced	£310,000	£445,000	£383,000	£384,975	£375,000	£472,500	£480,000	£520,000	£535,000	£439,000	41.6%
Flats	£472,500	£518,500	£590,000	£195,000	£662,500	£675,000	£1,345,000	£1,150,000	£1,262,500	£443,000	-6.2%
All Types	£652,651	£817,500	£902,500	£978,750	£855,000	£875,000	£972,500	£1,010,000	£1,177,500	£1,100,000	68.5%

Source: Land Registry PPD

Income

66. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
67. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £58,700 in 2018. A map of the area to which this data applies is provided in Appendix A.
68. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Buckinghamshire's gross individual lower quartile annual earnings were £17,847 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,694.
69. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

70. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
71. AECOM has determined thresholds for the income required in Penn Parish to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
72. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
73. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably

for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS’s current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.

74. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

75. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-4: Affordability thresholds in Penn Parish (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? (£58,700)	Affordable on LQ earnings (single earner)? (£17,847)	Affordable on LQ earnings (two earners)? (£35,694)
Market Housing						
Median House Price	£990,000	-	£282,857	No	No	No
Estimated NA New Build Entry-Level House Price	£567,900	-	£162,257	No	No	No
LQ/Entry-level House Price	£576,000	-	£164,571	No	No	No
LA New Build Median House Price	£354,938	-	£101,411	No	No	No
Average Market Rent	-	£48,600	£162,000	No	No	No
Entry-level Market Rent	-	£24,300	£81,000	No	No	No
Affordable Home Ownership						
First Homes (-30%)	£385,175	-	£110,050	No	No	No
First Homes (-40%)	£330,150	-	£94,328	No	No	No
First Homes (-50%)	£275,125	-	£78,607	No	No	No
Shared Ownership (50%)	£275,125	£7,642	£104,082	No	No	No
Shared Ownership (25%)	£137,562	£11,464	£77,515	No	No	No
Shared Ownership (10%)	£55,025	£13,756	£61,576	No	No	No
Affordable Rented Housing						
Affordable Rent	-	£8,668	£28,866	Yes	No	Yes
Social Rent	-	£5,909	£19,678	Yes	No	Yes

Source: AECOM Calculations

76. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform NP policy choices. These figures rely on existing data

and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

77. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher-than-average income, is likely to remain out of reach to most. The median house price would require an annual income almost five times higher than the current average.
78. Private renting is also generally only affordable to higher-than-average earners. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

79. There is a relatively large group of households in Penn Parish who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £81,000 per year (at which point entry-level rents become affordable) and £164,571 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership, although many in this group will not be eligible for those products based on their income levels.
80. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
81. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Based on our calculations, none of the First Homes tenures are accessible to households on average income. Dwellings may still be a viable solution in Penn Parish for average income households, however, smaller or lower value properties would need to be delivered than our assumed benchmark.
82. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The

discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	79%	94%	87%
NA Estimated New Build Entry-Level House Price	64%	89%	78%
NA Entry-Level House Price	64%	89%	78%
LA Median New Build House Price	42%	82%	65%

Source: Land Registry PPD; ONS MSOA total household income

83. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. The Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁸ If this is delivered in the NA, it will make shared ownership easier to access for more people (although still remains outside of our affordability threshold for average earning households). However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
84. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
85. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options.
86. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a

⁸ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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

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

87. In conclusion, while these affordable ownership options will be important to bring ownership closer towards affordable levels, none of them fall below the affordability threshold of average earning households. The cheapest affordable ownership option is Shared Ownership at 10% equity, and consequently, would seem to be the most appropriate ownership tenure in the area. The remaining affordable ownership tenures are not useful to a large proportion of the population and are, therefore, not considered to be the most suitable affordable tenure options available to the Parish.

Affordable rented housing

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

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

Figure 4-2: Affordability thresholds in Penn Parish, income required (additional cost of deposit in black)



Source: AECOM Calculations

Additional Information - Penn Parish Neighbourhood Plan Survey (December 2021)

90. The Penn Parish Neighbourhood Plan Survey (December 2021) offers useful insights into the perceived housing need from the point of view of the Parish's resident population.
91. According to the results of the survey, 56% of respondents identified the need for 'private low cost, starter affordable homes', when asked the about the types of housing required in the Parish (Question 12 in the survey). This indicates that provision of additional affordable dwellings in the Parish would be welcomed by the majority of its residents.

Additional Information - Buckinghamshire Council: Attitudes Survey Statement of Consultation (July 2022)

92. In a similar survey to the Penn Parish Neighbourhood Plan Survey, a Buckinghamshire-wide questionnaire was sent out to its residents, asking about their thoughts on a range of topics, including future housing provision in the area.
93. Question 4 of the survey asked 'What sort of property do you look for?' to people seeking to move house in the next five years. For the responses that related to tenure, there was a notable proportion (20%) who replied 'Affordable Homes', suggesting that the need for dwellings on affordable tenures is an issue across the district, not just in Penn Parish.

Affordable housing- quantity needed

94. The starting point for understanding the need for affordable housing in Penn Parish is the relevant Strategic Housing Market Assessment (SHMA). Most recently, a SHMA was undertaken for Chiltern and South Bucks in 2019. This study estimates the need for affordable housing in the two districts based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
95. The SHMA offers a breakdown of affordable housing needs for each of the two districts and identifies that Chiltern District has a need for 853 affordable/social rented units and 1,215 affordable ownership units. This equates to a total affordable need of 2,068 in Chiltern District between 2016-2036 (or 103 units per year). Interestingly, the SHMA's calculated need figures for Chiltern District suggest that 59% of Affordable Housing need is for ownership tenures, and the remaining 41% of need is for social/affordable rented tenures.
96. The SHMA also provides a breakdown for the expected dwelling sizes that will be needed over the 2016-2036 period. It presents that two-bedroom dwellings will be the most in-demand dwelling size, accounting for 44% of expected affordable need in Chiltern District. Three-bedrooms, four-or-more-bedrooms, and one-bedrooms are expected to account for 31%, 13%, and 11%, respectively, of the District's affordable need.
97. When the SHMA figures are pro-rated to Penn Parish based on its fair share of

the population (4% of the Chiltern District's population), this equates to four affordable dwellings per annum or 80 homes over the SHMA period. If the target of four affordable dwellings per annum is carried over the NP period (2023-2043) this would also produce an expected affordable need figure of 80.

98. It should be noted, however, that pro-rating District level estimates of affordable housing need to rural/semi-rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the private rented sector (PRS) on housing benefit. Both of these factors tend to generate higher needs.
99. By contrast, in parishes like Penn the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Penn Parish. Additionally, a large proportion of Penn Parish falls under designated land (such as Green Belt and AONB), which will also limit the ability for the NA to accommodate additional dwellings in a similar proportion.
100. In Table 4-7 we have therefore calculated, using PPG as a starting point,⁹ an estimate of the total need for affordable rented housing in Penn Parish over the NP period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
101. It should also be noted that figures in Table 4-7 are largely dependent on information provided by Buckinghamshire Council in its capacity as manager of the local housing waiting list.
102. The figures in Table 4-6 represent the current number of live and pending applications on Bucks Home Choice (Buckinghamshire Council's 'choice-based' housing register). When interpreting this data it should be noted that Buckinghamshire Council have advised that since the turn of the new year there has been 'unprecedented demand for social housing', which has resulted in a backlog of applications (it is expected that many of these applicants are likely to qualify to join the housing register). Therefore, the figures presented should be considered an underestimate for the current need figures in Penn Parish.

⁹ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Table 4-6: Live and pending applications on Bucks Home Choice

Bedroom Need	Live applications residing in Penn	Pending applications residing in Penn
1 bedroom	2	3
2 bedrooms	0	4
3 bedrooms	0	0
4 bedrooms	0	0
5+ bedrooms	0	0
Total	2	7

Source: Buckinghamshire Council (July 2022)

103. In addition to the nine households currently listed as either ‘live’ or ‘pending’ on the local housing register, Table 4-7 suggests that, over the NP period, six additional households in the NA will fall into need, producing total need for affordable rented homes of 16. A modest turnover rate of affordable rented units will satisfy some of Penn Parish’s arising need; therefore, Table 4-7 suggests that there will be a total need for nine new affordable rented homes over the NP period. On reflection, this need figure of nine new affordable dwellings can be understood to fall on the lower end of affordable need estimates (given the caveats discussed in relation to Table 4-6). Conversely, the SHMA pro-rated figure of 80 new affordable dwellings should be understood to fall on the upper end of affordable need estimates, and therefore, does not warrant exceeding.

Table 4-7: Estimate of need for Affordable Housing for rent in Penn Parish

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	9.0	Data provided by Buckinghamshire Council (July 2022)
1.2 Per annum	0.5	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	91.6	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	6.7%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	80.2	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	21.1	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	6.2	Step 2.1 x Step 2.2.
2.4 Per annum	0.3	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	0.3	Step 3.1 x NA social rented stock (2.2.1).
NET SHORTFALL OF RENTED UNITS PER ANNUM		
Overall shortfall per annum	0.5	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall over the plan period	9.2	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

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

104. Turning now to Affordable Housing providing a route to home ownership, Table 4-8 estimates the potential demand in Penn Parish. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
105. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for

surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.¹⁰ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

106. The result of the calculation is four households per annum who may be interested in affordable home ownership (or 83 for the entirety of the NP period).
107. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
108. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

¹⁰ <http://www.ipsos-mori-generations.com/housing.html>

Table 4-8: Estimate of the potential demand for affordable housing for sale in Penn Parish

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	141.4	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	14.9%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	21.1	Step 1.1 x Step 1.2.
1.4 Current need (households)	90.2	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹¹
1.5 Per annum	4.5	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	91.6	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	6.5%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	6.0	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.5	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	16.4	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0.8	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	4.1	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall over the plan period	83.0	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

109. There is no policy or legal obligation on the part either of the Local Authority or NP to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

¹¹ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNA's and SHMA's. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

110. It is also important to remember that even after the NP is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

111. Chiltern District's adopted policy in its Core Strategy on this subject 'CS8 – Affordable Housing Policy' requires 40% of all new housing on sites of 15 or more dwellings to be affordable (CS8 also outlines the expected number of dwellings in affordable housing tenures on sites of varying smaller scales – see Planning Policy Context section of this HNA). It is unknown whether Policy CS8 has been applied to new completions in the Parish.
112. The overall proportion of housing that must be affordable is not an area of policy that an NP can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
113. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is not referred to in the Core Strategy. However, the latest SHMA for Chiltern District outlines that 59% of affordable need in the District will be for affordable ownership tenures, whereas the remaining 41% of need is for social/affordable rented tenures.
114. This HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Penn Parish specifically.
115. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Penn Parish requires roughly nine units of affordable rented housing and 83 units of affordable home ownership over the NP period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
- The relationship between these figures suggests that 10% of Affordable Housing should be rented and 90% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options, the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 90% ownership to 10% renting may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

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

Penn Parish has not been given an allocations figure by Buckinghamshire Council. However, in the hypothetical scenario where Penn Parish's estimated remaining housing capacity is delivered in full (38 dwellings – see 'Quantity of housing to provide' section for this HNA) and the maximum Local Plan target of 40% affordable homes were achieved on every site, up to around 15 affordable homes might be expected in the NA. If the majority of Penn Parish's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 15 dwellings for the 40% maximum affordable target. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This may still be sufficient to satisfy the total potential demand for rented Affordable Housing identified here, however, would not be enough to satisfy the potential Affordable Housing ownership demand.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. Especially given the expected volume of future delivery, it is reasonable to assume that supply will be limited and affordable rented accommodation should be prioritised.

- C. Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Chiltern District, where 40% of all housing on sites of over 15 dwellings should be affordable, 25% of Affordable Housing should be for affordable ownership. This complies with the inferred tenure split from the SHMA. However, whether this will satisfy policies in the emerging Buckinghamshire Local Plan can only be determined once the emerging policies on Affordable Housing tenure split, if any, are published.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Penn Parish would prejudice the provision of much needed affordable rented homes/ delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted Local Plan Core Policy does not offer an expected tenure split for the delivery of Affordable Housing. However, the latest SHMA for Chiltern District outlines that 59% of affordable need in the District will be for affordable ownership tenures, whereas the remaining 41% of need is for social/affordable rented tenures.

- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. However, this is not an issue in Chiltern District/ Buckinghamshire.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model. However, given that there is no specified Affordable Housing tenure split in the Core Strategy, this would not be an issue in Penn Parish. Again, this conclusion is subject to the emerging Buckinghamshire Local Plan also not offering an affordable tenure split.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

H. **Existing tenure mix in Penn Parish:** According to the 2011 Census data, Penn Parish is dominated by private ownership tenures, accounting for approximately 86% of the total tenure mix. The next most common tenure type is private rent, at 7%. These are followed by smaller proportions of Social Rent (5%) and Shared Ownership (1%). The proportion of dwellings in Social Rent tenures is particularly low when compared to the wider geographies' tenure mixes.

Overall, due to the low proportion of dwellings in any form of affordable tenure, provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the Parish. The funding arrangements available to housing associations will determine rent levels.

J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Penn Parish and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

116. On the basis of the considerations above, Table 4-9 proposes an indicative Affordable Housing tenure mix that might be sought through NP policy proposes an indicative tenure mix of 60% rent to 40% ownership mix for new Affordable Housing in Penn Parish. As will be explained in the forthcoming paragraphs, this recommended split represents a compromise between offering units to those most in need in Penn Parish (renting), whilst also attempting to offer at least one route to ownership to as many households as possible.

117. Firstly, the 60% renting allocation has been recommended so that Penn Parish prioritises delivering affordable units to those with the most acute needs. Penn Parish currently has a minimum of nine households in need of affordable rented housing, who without a turnover of affordable renting units or the delivery of new affordable renting units, may not be able to live in the area. Rather than hope that these households in need are accommodated through re-lets (which may take many years based on the historical re-let rate in the Parish), priority has been given to the delivery of affordable rents in the area. This is especially important given that area for development within Penn Parish is limited by environmental designations (such as Green Belt and AONB). It is, therefore, unlikely that a large volume of housing will be delivered in the NA.

118. A 40% allocation has been recommended for affordable ownership tenures. The primary influences behind the 40% affordable ownership allocation are the affordability thresholds for the affordable ownership products. On one hand, as

demonstrated in Table 4-4, First Homes at all discount levels would fall outside of the affordability threshold for average earning households in the Parish. Unfortunately, the same conclusions apply to Shared Ownership tenures for all equity shares.

119. Shared Ownership at 10% equity is the cheapest of the affordable ownership tenures, and may be in reach of average earning households if they sacrifice slightly more of their income. Whilst this may be considered the least popular affordable ownership tenure (as the equity is the lowest of all options), based on the affordability thresholds it is the most appropriate affordable ownership tenure for Penn Parish. Shared Ownership, therefore, represents a more accessible route to home ownership than First Homes, with the added bonus that it is a product that is more likely to be accepted by developers. Consideration, however, should also be given to the likelihood that local lenders will offer mortgages on Shared Ownership tenures; PPNPG are aware of struggles to find lenders for Shared Ownership mortgages in nearby areas.
120. Ideally, Shared Ownership would account for the majority of the affordable ownership tenures in the affordable split, however, the mandated 25% of affordable homes needing to be First Homes limits what can be achieved with the split in attempts to balance the need for rent vs ownership, as well as First Homes vs Shared Ownership. Whilst renting takes overall priority, Shared Ownership offers the next most appropriate affordable tenure in the area. Therefore, First Homes has been assigned its minimum allocation of 25%, and has been accompanied by a 10% allocation of Shared Ownership and 5% allocation of Rent to Buy.
121. In summary, a 60% rent to 40% ownership split would help address the most important affordability issues in the area by placing priority on dwellings for those with the most acute needs (renting), whilst also attempting to make ownership options as accessible as possible in the context of a Parish with limited development space and legislation relating to a minimum allocation of First Homes tenures. Discussion with the LPA in development of any NP policy is essential in this respect.
122. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
123. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Buckinghamshire Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
124. Another option when developing NP policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

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

Source: AECOM calculations

125. Table 4-10 summarises Penn Parish’s position with regards to the delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the NP period. This exercise simply applies the pro-rated SHMA report figure for Penn Parish and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced.
126. Table 4-10 also offers alternative housing delivery scenarios, where a greater number of houses are delivered in the NA.
127. It is important to emphasise that Penn Parish does not have a housing delivery target; therefore, a range of allocation scenarios have been presented below. The scenarios presented in Table 4-10 are hypothetical, and the outcomes in practice may differ, either because of measures taken in the NP (e.g. if the group plan for other quantities of housing), or if the group decide to influence the tenure mix in other ways, or as a result of site-specific constraints.

Table 4-10: Estimated delivery of Affordable Housing in Penn Parish

Step in Estimation		(Settlement Capacity Report Scenario (Low))	SHMA Pro-rate Scenario (Medium)	Alternative High Growth Scenario (High)
A	Potential affordable housing delivery over NP period	40	80	160
B	Rented % (e.g. social/affordable rented)	60%	60%	60%
C	Rented number (A x B)	24	48	96
D	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%	40%	40%
E	Affordable home ownership number (A x D)	16	32	64

Source: AECOM estimate based on pro-rated allocation for Penn Parish based on Chiltern District's SHMA and AECOM's indicative tenure mix

Conclusions- Tenure and Affordability

128. Beginning with housing tenures, this chapter finds that 86% of Penn Parish's dwellings are in market ownership tenures. This percentage is significantly higher than both the ownership mix for Chiltern District (77%) and England (63%). Market rent tenures account for 7% of the Parish's total tenure mix – this is lower than the equivalent proportion for Chiltern District (9%) and England (17%). Penn Parish has a notably small offering of dwellings in affordable tenures, with Social Rent and Shared Ownership tenures accounting for 5% and 1%, respectively, of the Parish's tenure mix. The proportion in Shared Ownership tenures is consistent across all three geographies, however, Penn Parish has a notably lower proportion of dwellings in Social Rent tenures compared to both Chiltern District (12%) and England (18%).
129. Penn Parish has clear affordability issues, and consequently it has become an extremely challenging area to get onto the market ownership property ladder. This is exemplified by calculations which suggest that households earning average income in the area are unable to access any form of market rent or ownership tenures. This issue has likely been made worse by rising housing costs in the Parish (with the median house price rising 61% between 2012-2021).
130. An offering of Affordable Housing tenures will be necessary in Penn Parish to bring housing to attainable prices for many households of varying home ownership/renting aspirations:

- Whilst First Homes offers sizable discounts on home ownership, the tenure is not considered affordable for average income households in the area at all discounts. The 50% discount would be the most appropriate in the area, given that it brings the cost of ownership to the most affordable levels of the three, however, this tenure type would still require average households to sacrifice a significant proportion of their salary, to the extent that it would still be an unrealistic option for the majority of average earning households. A minimum share of 10% of all new housing, and 25% of all new affordable housing, is required to be delivered on First Homes tenures. Given the relative unaffordability of this tenure, it is recommended that the minimum number of units of First Homes tenures are offered.
- Shared Ownership at 10% equity is the cheapest way that home ownership can become attainable, however, remains outside of the affordability thresholds for average earning households. Shared Ownership at 25% and 50% are more expensive than Shared Ownership at 10%, and, therefore, are also considered unaffordable for average earning households. Therefore, ideally the 10% equity units should be sought on future developments to offer at least one route to affordable ownership to as many households as possible.
- A small offering of Rent to Buy tenures will be useful for households who lack sufficient deposits rather than sufficient incomes.
- Social Rent tenures are vital for average earning households and below. This is especially the case for households on two lower quartile income earners, who without these discounts would likely be priced out of the area. Unfortunately, the affordable/social rent tenures are not considered affordable for single lower quartile earners, though they may be able to access additional subsidy.

131. According to Buckinghamshire Council data, there are currently nine applicants on the housing register in Penn Parish. Over the NP period, our calculations suggest that a further six households will fall into affordable renting need, creating a total demand for 15 dwellings over the NP period. It is expected that a modest number of re-lets for affordable rents in the area will accommodate some of this need by the end of the NP period. Overall, our calculations, suggest that nine additional dwellings in social/affordable rent tenures are needed in Penn Parish by the end of the NP period. In contrast, it is estimated that 83 households are expected to be in potential demand of Affordable Housing ownership options.

132. A 60% rent to 40% ownership split is suggested for new Affordable Housing in Penn Parish to strike a balance between providing housing for those with the most acute needs (households seeking affordable rented tenures) whilst also addressing the affordability issues and larger scale of demand associated with market ownership. In ideal conditions, a much higher proportion of ownership tenures would be recommended due to the high number of households calculated in need; however, given their relative unaffordability, and the likelihood that room for developments in the Parish will be limited, it is recommended that a higher weighting is allocated to affordable/social rents.

133. Penn Parish has not been provided with a housing delivery allocation in the current or emerging Local Plan, however, a modest development which includes affordable/social rent tenures would likely satisfy the affordable renting need in the Parish. Given the scale of potential demand for affordable ownership, it is unlikely that the need will be satisfied by the end of the NP period.
134. Pro-rating the SHMA annual need figure for Chiltern District, and projecting it over the NP period, would give Penn Parish a total affordable need figure of 80 units of the NP period. In a hypothetical scenario where 80 units of Affordable Housing were delivered over the NP period, and a 40% ownership to 60% rent split was achieved, it could be expected that 48 units would be delivered in social/affordable rents and 32 units would be delivered in affordable ownership tenures. It is important to emphasise that Penn Parish does not have a housing delivery target; therefore, the pro-rated SHMA affordable need figure of 80 should not be considered a definitive delivery target.

5. RQ 2: Type and Size

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

Introduction

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

Existing types and sizes

Background and definitions

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

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

141. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. Most of the proceeding section replies on 2011 Census data, however, wherever practicable, these figures will be accompanied by more up-to-date sources of information.

Dwelling type

142. Table 5-1 presents the recorded dwelling type mix in Penn Parish using 2011 Census data. It shows that detached properties dominate the Parish's housing type mix, with almost three quarters of all properties falling under this type category (1,144 units). The second most common housing type was semi-detached (223 units), followed by the two denser housing types of terraced (128 units) and flats (119 units).

Table 5-1: Accommodation type, Penn Parish, 2011

Dwelling type	2011 (Census)
Flat	119
Terraced	138
Semi-detached	223
Detached	1144
Total	1627

Source: ONS 2011. Sum of housing types does not make 'total' figure – this is a Census error.

143. To understand the mix further, it is useful to look at the percentage breakdown of accommodation types, and compare these to the wider district and country, provided in Table 5-2.
144. The data shows that the characteristics discussed in relation to Penn Parish's housing type profile in Table 5-1 are not replicated across the wider geographies' type profiles. Firstly, the dominance of detached and semi-detached houses in Penn Parish is much greater when compared to the District and Nation. The heavy weighting of detached dwellings mean that the proportions of all remaining dwelling types are lower than the two wider geographies.

Table 5-2: Accommodation type, Penn Parish, Chiltern District, and England, 2011

Dwelling type		Penn Parish	Chiltern District	England
Whole house or bungalow	Detached	70.3%	43.7%	22.4%
	Semi-detached	13.7%	24.7%	31.2%
	Terraced	8.5%	16.5%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	5.7%	11.5%	16.4%
	Parts of a converted or shared house	1.4%	1.7%	3.8%
	In commercial building	0.2%	1.2%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling size

145. Table 5-3 presents the recorded dwelling bedroom size mix in Penn Parish using 2011 Census data.

146. The most common dwelling size in Penn Parish is four-bedroom (549 units), followed by five-or-more-bedrooms (441 units). The remaining dwelling sizes in Penn Parish are found in smaller frequencies than the two largest sizes, and follow a trend whereby the larger the dwelling is, the higher the frequency of units there will be (from no bedrooms at two units, to three bedrooms at 310 units).

147. Overall, Penn Parish's size mix is concentrated towards the larger-sized dwellings, with two thirds of the total stock having four-or-more bedrooms.

148. When compared to the two wider geographies, Penn Parish's size mix is significantly larger than Chiltern District and England. This is demonstrated by the Parish having higher proportions of units of four-or-more-bedrooms than both geographies, as well as smaller proportions of units of all other dwelling sizes.

Table 5-3: Number of bedrooms in household spaces in Penn Parish, Chiltern District, and England, 2011

Bedrooms	Penn Parish		Chiltern District		England	
	No. of bedrooms	%	No. of bedrooms	%	No. of bedrooms	%
All categories:	1,564	100.0%	36,946	100.0%	22,063,368	100.0%
No. bedrooms	2	0.1%	51	0.1%	54,938	0.2%
1 bedroom	52	3.3%	2,540	6.9%	2,593,893	11.8%
2 bedrooms	210	13.4%	7,949	21.5%	6,145,083	27.9%
3 bedrooms	310	19.8%	12,678	34.3%	9,088,213	41.2%
4 bedrooms	549	35.1%	9,281	25.1%	3,166,531	14.4%
5 or more bedrooms	441	28.2%	4,447	12.0%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

Age and household composition

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

Age structure

150. Table 5-4 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures.

151. The trend observed in Table 5-4 shows that, between 2011-2020, the proportion of the two oldest age bands in Penn Parish (85+ and 65-84) increased their share in the Parish's population. The proportion of the 45-64 age band remained similar.

152. Turning to the younger age bands reveals a mixture of growth and decline. The very youngest age band (0-15) slightly increased its share in the total mix, whereas the 16-24 and 25-44 age bands both saw a reduction in their share of the total mix.

153. Overall, between 2011 and 2020, Penn Parish's total population is estimated to have grown by approximately 6%.

154. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

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

Table 5-4: Age structure of Penn Parish population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	795	20.1%	917	21.7%
16-24	287	7.2%	292	6.9%
25-44	832	21.0%	733	17.4%
45-64	1,221	30.8%	1,288	30.5%
65-84	745	18.8%	827	19.6%
85 and over	81	2.0%	160	3.8%
Total	3,961		4,217	

Source: ONS 2011 (sum of age group figures does not make 'total' figure – this is a Census error), ONS mid-2020 population estimates, AECOM Calculations

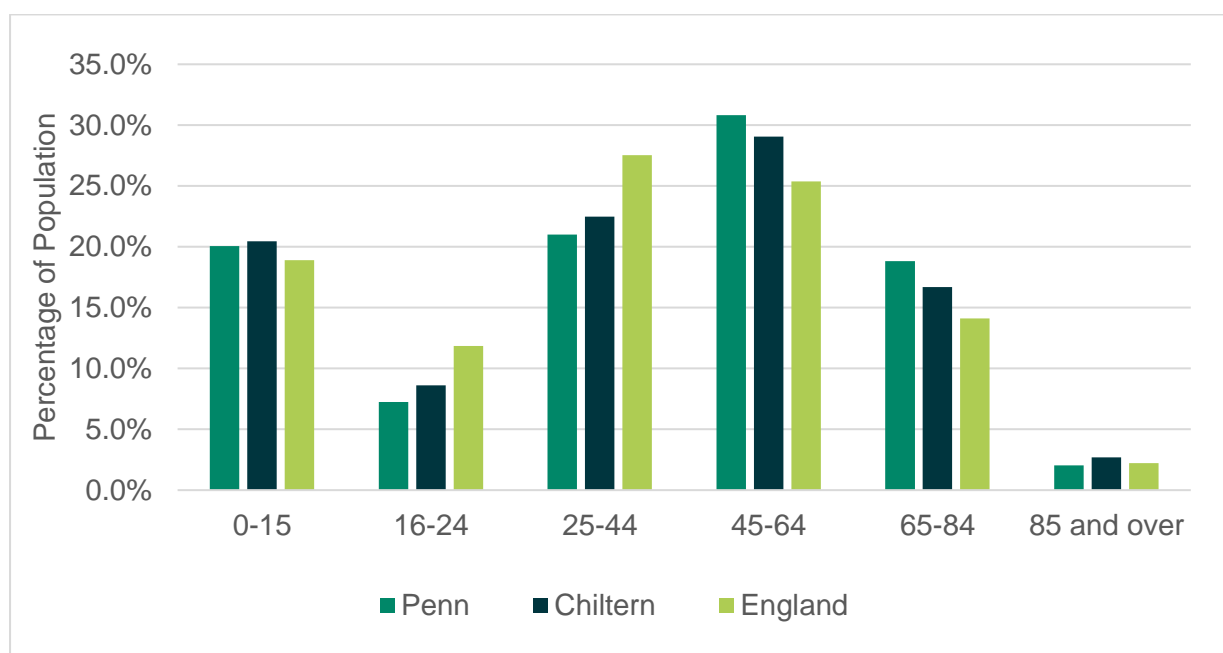
156. For context, it is useful to look at the parish population structure alongside that of the District and Country. Figure 5-1 (using 2011 Census data) shows that Penn Parish's population is generally older than both Chiltern District and

England. All the age bands between 16-24 and 65-84 show that Penn Parish's population is older than the two wider geographies, with the Parish having smaller proportions of 16-24 and 25-44, and larger proportions of 45-64 and 65-84.

157. On the two extremes of the age ranges, a slightly different pattern is revealed. Firstly, the Parish has a similar or smaller proportion of 85+ individuals when compared to the two wider geographies – this may be an indicator that older people are being forced out of the area due to lack of access to specialist housing or other health services. Indeed, PPNPG understand that new retirement flats in the area are expensive to buy and include high management fees, and thus, have not proven to be popular with local residents. Additionally, PPNPG perceive that limited and infrequent public transport may also another issue for the elderly population in the Parish.

158. Returning to Figure 5-1, Penn Parish has a higher proportion of individuals in the 0-15 category when compared to England, but a lower proportion than when compared to Chiltern District.

Figure 5-1: Age structure in Penn Parish, Chiltern District, and England, 2011



Source: ONS 2011, AECOM Calculations

Household composition

159. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the NP period.

160. Table 5-5 reveals that the majority of households within all three geographies fall into the 'one family only' category, accounting for at least 60% of the total mix. The second most common household category in all three geographies was 'one person household'. Finally, 'other household types' was the smallest category for all geographies. Whilst these results offer an insight to the general trend across geographies, further detail can be gained from further interrogating

the household sub-categories.

161. In Penn Parish, there is a greater proportion of 'one family only' households, and a smaller proportion of 'one person household' sub-categories when compared to Chiltern District. However, the differences are small, with no equivalent sub-categories deviating by more than three percentage points of each other for each area.
162. Compared to England, the same trend of Penn Parish having a lower proportion of all 'one person household' sub-categories and greater proportion of all 'one family only' sub-categories is present, however, there is a greater degree of variance in the equivalent sub-categories. Two sub-categories that stand out in this respect are: 'one person household – other' (England has almost double the proportion of Penn Parish), and 'one family only – all aged 65 and over' (Penn Parish has almost double the proportion of England).
163. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 24% between 2001 and 2011 in Penn Parish – a faster rate than Chiltern District (2%) and England (11%).

Table 5-5: Household composition, Penn Parish, 2011

Household composition		Penn Parish	Chiltern District	England
One person household	Total	21.1%	24.8%	30.2%
	Aged 65 and over	11.6%	13.5%	12.4%
	Other	9.5%	11.4%	17.9%
One family only	Total	75.3%	69.8%	61.8%
	All aged 65 and over	14.3%	11.6%	8.1%
	With no children	19.5%	17.9%	17.6%
	With dependent children	31.0%	30.4%	26.5%
	With non-dependent children ¹²	10.5%	9.8%	9.6%
Other household types	Total	3.6%	5.4%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

164. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than

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

a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

165. The occupancy rating data, presented in Table 5-6, reveals an overall trend of underoccupancy in Penn Parish, with around 90% of households having at least one unused bedroom. The 'Family 65+' and 'Family under 65 – no children' households are most likely to have a +2-occupancy rating in Penn Parish.

Table 5-6: Occupancy rating by age in Penn Parish, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	89.7%	9.0%	1.3%	0.0%
Single person 65+	71.3%	22.1%	6.6%	0.0%
Family under 65 - no children	82.6%	15.4%	2.0%	0.0%
Family under 65 - dependent children	59.6%	27.6%	11.1%	1.6%
Family under 65 - adult children	59.4%	27.9%	11.5%	1.2%
Single person under 65	49.7%	29.5%	20.8%	0.0%
All households	68.5%	21.8%	9.0%	0.7%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

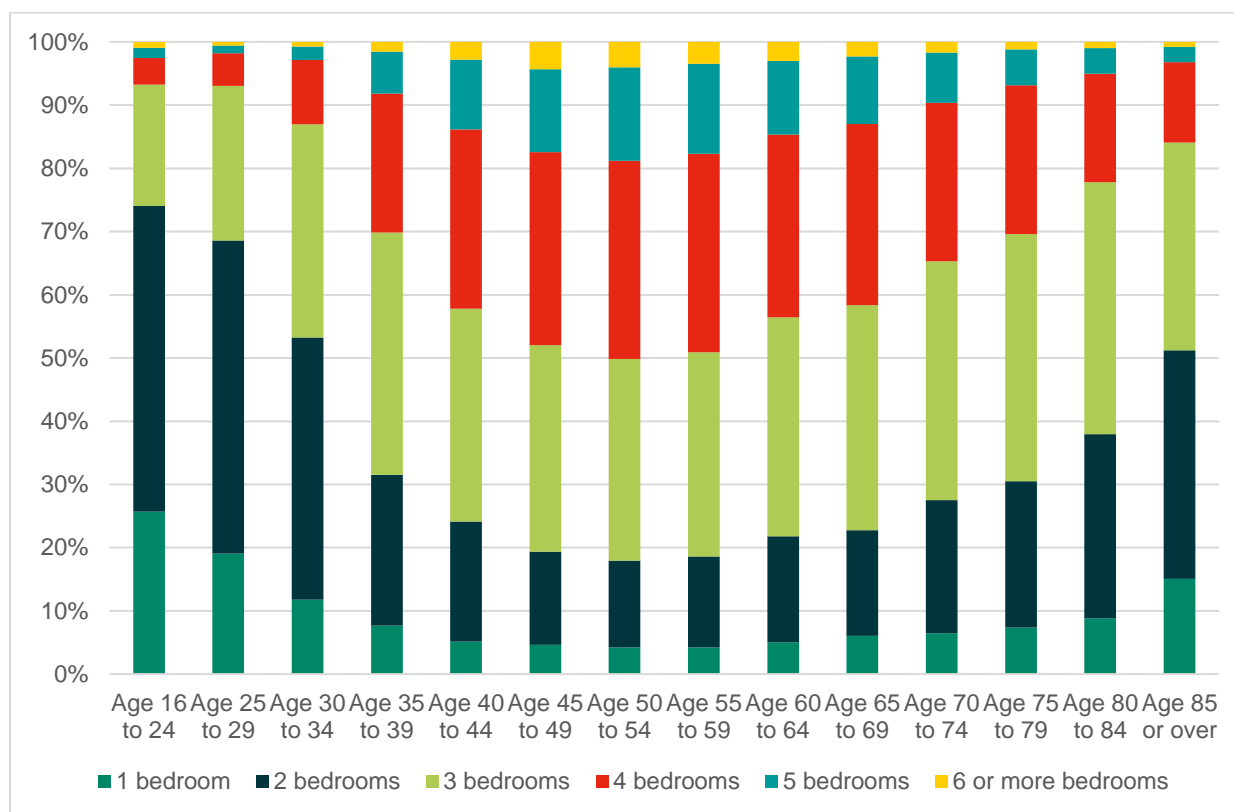
166. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood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

- The starting point is the age distribution of Penn Parish households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.

- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in one bedroom homes as opposed to two, three or four bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
167. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
168. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
169. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
170. The first, given as Table 5-2, sets out the relationship between household life stage and dwelling size for Chiltern District in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up

larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-2: Age of household reference person by dwelling size in Chiltern District, 2011



Source: ONS 2011, AECOM Calculations

171. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Penn Parish’s households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-7 makes clear that population growth can be expected to be driven by the oldest households, with the ‘65 and over’ household age bracket expected to increase 47% by 2043.
172. The only other household age bracket expected to experience growth is 55-64, by a more modest 10%. All other age brackets are expected to remain around the same levels or decline.
173. Overall, it is expected that if current trends persist, and the goal is to accommodate these demographic shifts, then future housing delivery in Penn Parish should prioritise the provision of dwellings that would be appropriate to accommodate the area’s growing elderly population. Based on these projections alone, it may, for example, be appropriate to focus on delivery of smaller-sized dwellings for older households who may be looking to downsize.
174. The provision of smaller or medium-sized dwellings may also be appropriate if the ambition of the community to seek a more balanced demographic, for example, by trying to attract more young families. Smaller or medium-sized dwellings (two to three-bedrooms) may help the area rebalance its population because: firstly, these units are likely to be cheaper than larger dwellings and,

therefore, more accessible for young families; secondly, successful downsizing of older households theoretically frees up larger family housing for those who can afford it.

Table 5-7: Projected distribution of households by age of HRP, Penn Parish

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	7	69	637	335	516
2043	7	60	560	370	757
% change 2011-2043	-2%	-12%	-12%	10%	47%

Source: AECOM Calculations

175. The final result of this exercise is presented in Table 5-8. The model, which analyses population change and the existing dwelling stock, suggests that Penn Parish's 'ideal' dwelling size mix by 2043 might be achieved by attaching a high level of priority to the delivery of small- to mid-sized dwellings (three-or-fewer-bedrooms). Specifically, Table 5-8 recommends that most new dwellings should have three bedrooms (58%), followed by two-bedrooms (30%) and one-bedrooms (13%). The model expects that Penn Parish's current stock of four- and five-or-bedroom dwellings will exceed future need for those dwelling sizes, and therefore recommends that no new dwellings of those sizes are built.

176. However, whilst those projections represent the 'ideal' scenario, the results are not necessarily practical. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.

177. That said, an emphasis on smaller- to mid-sized housing is still recommended in Penn Parish. One reason for this is that preceding chapter found that affordability to be a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Providing smaller homes with fewer bedrooms would help to address this situation.

178. In addition, to best meet the needs of the large cohort of older households expected to be present by the end of the NP period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.

179. That said, it may not be realistic to expect growing families to be able to afford

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

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

Table 5-8: Suggested dwelling size mix to 2043, Penn Parish

Number of bedrooms	Current mix (2011)	Target mix (2043)	Balance of new housing to reach target mix
1 bedroom	3.3%	6.8%	12.8%
2 bedrooms	13.4%	20.9%	29.7%
3 bedrooms	19.8%	35.0%	57.5%
4 bedrooms	35.1%	25.5%	0.0%
5 or more bedrooms	28.2%	11.8%	0.0%

Source: AECOM Calculations

Additional Information - Penn Parish Neighbourhood Plan Survey (December 2021)

181. The Penn Parish Neighbourhood Plan Survey (December 2021) offers useful insights into the perceived housing need from the Parish's resident population.
182. According to the results of the survey, 56% of respondents identified the need for 'small houses' and 46% of respondents identified the need for 'bungalows or ground floor [flats]', when asked their opinion on the types of housing required in the Parish (Question 12 in the survey). Overall, these views align with the calculations and conclusions of this chapter, with both sources suggesting that smaller and denser dwellings would be appropriate for Penn Parish.

Additional Information - Buckinghamshire Council: Attitudes Survey Statement of Consultation (July 2022)

183. In a similar survey to Penn Parish, a Buckinghamshire-wide questionnaire was sent out to its residents, asking about their thoughts on a range of topics, including future housing provision in the area.

184. Question 4 of the survey asked respondents 'What sort of property do you look for?' to people seeking to move house in the next five years. The responses were varied, with 51% responding 'Family sized homes', 29% responding 'Bungalows', 20% responding 'Affordable Homes', and 9 % responding flats. These responses show that the needs of the wider HMA (which Penn Parish is a part of) are varied, and do not match up with the needs identified at the local scale for Penn Parish. Whilst a large number of family sized homes may not be appropriate for Penn Parish, these results demonstrate that the delivery of housing should not be limited by one type or size of dwelling given Penn Parish sits in an area of more varied needs.

Conclusions- Type and Size

185. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the Parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

186. Beginning with housing type, this chapter finds that Penn Parish's housing mix is weighted towards the less dense housing types, with detached (70%) and semi-detached houses (14%) accounting for the majority of the Parish's dwelling stock. Consequently, the proportion of terraced and flats are much lower in Penn Parish, accounting for 9% and 7%, respectively, of the area's total stock. The high proportion of less dense housing is not consistent with the district and nation's housing type mixes, which have more balanced proportions of different housing types.

187. The most notable difference between the type mix of Penn Parish and the two wider geographies is the proportion of detached dwellings: 70% of the Parish's stock is detached, whereas for the equivalent figures for Chiltern District and England are 44% and 22%, respectively. Whilst Penn Parish has a relatively high proportion of family households compared to Chiltern District and England (which would mean the area may be more appropriate for larger-sized, and potentially detached dwellings), it can still be considered that Penn Parish has an overweighting of detached units in its type mix. Therefore, there is certainly room in Penn Parish's future housing stock to increase the proportion of other dwelling types – be it for reasons of efficient use of land, practicality or affordability.

188. Moving on to the size of homes, this chapter finds that Penn Parish's size mix is weighted towards to larger-sized dwellings, with two thirds of the Parish's total stock having four-or-more bedrooms. This is consistent with the Parish's type mix, which has a high proportion of detached dwellings (which are generally larger in size than other dwelling types).

189. As with most areas in the UK, Penn Parish's population is slowly ageing. The ageing of the population is, however, expected to accelerate into the future, with Penn Parish's household age bands at 65-and-over expected to grow around 47% by 2043 - this would mean that the 65-and-over age band will surpass the 35-54 households age band as the most common in the Parish. The only other household age band expected to experience growth is 55-64 (+10%). The age bands of 35-54 and younger are all projected to experience no growth or decline by 2043.
190. The current stock of four- and five-or-more-bedroom dwellings would appear to meet Penn Parish's future needs based on modelling that analyses population change and the existing dwelling stock. To achieve Penn Parish's 'ideal' dwelling mix by 2039, future housing development might focus its delivery towards small- to mid-sized units (especially three-bedroom units) to increase the variety of sizes available in the local housing stock.

6. Next Steps

Recommendations for next steps

191. This HNA aims to provide Penn Parish with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Buckinghamshire Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the NP to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Buckinghamshire Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Buckinghamshire Council.
192. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
193. Bearing this in mind, it is recommended that the PPNPG should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Buckinghamshire Council or any other relevant party and review the NP accordingly to ensure that general conformity is maintained.
194. At the same time, monitoring on-going demographic or other trends over the NP period will help ensure the continued relevance and credibility of its policies.

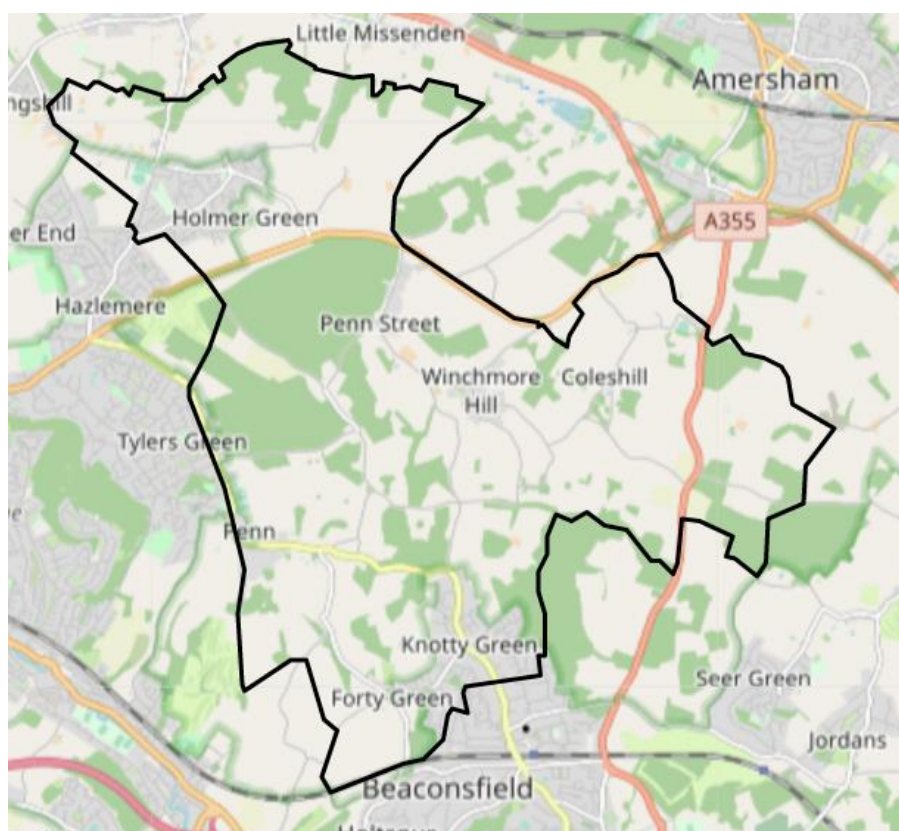
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

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

196. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the NA. In the case of Penn Parish, it is considered that MSOA E02006823 is the closest realistic proxy for the NA boundary (it covers the NA entirely, but also includes the neighbouring settlements of Holmer Green and Coleshill), and as such, this is the assessment geography that has been selected. A map of MSOA E02006823 appears in Figure A-1.

Figure A-1: MSOA E02006823 used as a best-fit geographical proxy for the Neighbourhood Area



Source: Nomis

A.2 Market housing

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

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

i) Market sales

199. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

200. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Penn Parish, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

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

- Value of a median NA house price (2021) = £1,100,000;
- Purchase deposit at 10% of value = £110,000;
- Value of dwelling for mortgage purposes = £990,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £282,857.

202. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £640,000, and the purchase threshold is therefore £164,571.

203. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 0 sales of new build properties in the NA in 2021; therefore, there were too few sales in the NA specifically to determine an accurate average for the cost of new build housing in Penn Parish. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Buckinghamshire and new build

house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £611,388 and purchase threshold of £157,214.

204. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Buckinghamshire in 2021. The median cost of new build dwellings in Buckinghamshire was £406,000, with a purchase threshold of £104,000.

ii) Private Rented Sector (PRS)

205. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
206. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
207. The property website [rightmove.co.uk](https://www.rightmove.co.uk) shows rental values for property in the NA.
208. According to [rightmove.co.uk](https://www.rightmove.co.uk), there were seven properties for rent at the time of search in July 2022, with an average monthly rent of £4,050. There were two two-bed properties listed, with an average price of £2,025 per calendar month.
209. The calculation for the private rent income threshold for entry-level (two-bedroom) dwellings is as follows:
- Annual rent = £2,025 x 12 = £24,300;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £81,000.
210. The calculation is repeated for the overall average to give an income threshold of £162,000.

A.3 Affordable Housing

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

i) Social rent

212. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
213. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Penn Parish. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Chiltern District in the Table A-1.
214. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£99.64	£109.58	£120.62	£130.12	£113.64
Annual average	£5,181	£5,698	£6,272	£6,766	£5,909
Income needed	£17,254	£18,975	£20,887	£22,532	£19,678

Source: Homes England, AECOM Calculations

ii) Affordable rent

215. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
216. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
217. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Chiltern District. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
218. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 36% of market

rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£137.74	£173.03	£198.11	£218.64	£166.70
Annual average	£7,162	£8,998	£10,302	£11,369	£8,668
Income needed	£23,851	£29,962	£34,305	£37,860	£28,866

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

219. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

220. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

221. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

222. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £611,388.

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

- Value of a new home (estimated NA new build entry-level) = £611,388;
- Discounted by 30% = £427,972;
- Purchase deposit at 10% of value = £42,797;
- Value of dwelling for mortgage purposes = £385,175;
- Divided by loan to income ratio of 3.5 = purchase threshold of £110,050.

224. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £94,328 and £78,607 respectively.
225. Only one of the income thresholds (50% discount) calculated here for First Homes is below the cap of £80,000, above which households are not eligible. However, even the 50% discount would not be eligible as its discounted price is still above £250,000 (the threshold for eligibility). In this scenario developers would need to bring the dwelling price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.
226. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two-bedroom home (assuming 70 sq. m and a build cost of £2,375 per sq. m¹³) would be around £166,250. This cost excludes any land value or developer profit. This would not appear to be an issue in Penn Parish.

Shared ownership

227. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
228. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
229. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
230. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £611,388 is £152,847;

¹³ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- A 10% deposit of £15,285 is deducted, leaving a mortgage value of £137,562;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £39,304;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £458,541;
- The estimated annual rent at 2.5% of the unsold value is £11,464;
- This requires an income of £38,212 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £77,516 (£39,304 plus £38,212).

231. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £61,576 and £104,082 respectively.

232. The 10% and 25% equity offerings fall below the £80,000 income threshold for eligibility, however the 50% equity offering does not.

Rent to Buy

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

Help to Buy (Equity Loan)

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

235. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁴.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁵

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

¹⁴ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁵ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principal forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order¹⁶

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

Concealed Families (Census definition)¹⁷

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.

¹⁶ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁷ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹⁸, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

¹⁸ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing¹⁹

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

¹⁹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁰

²⁰ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

