

Report to:

**Uttlesford
District Council**

**Local Housing
Needs Assessment**

Draft Report to Inform
Regulation 18 Consultation

October 2023

Contents

Summary

1. Background

2. Area Profile

3. Overall Housing Need

4. Affordable Housing Need

5. Housing Mix

6. Older and Disabled People

7. Self- and Custom Build Housing

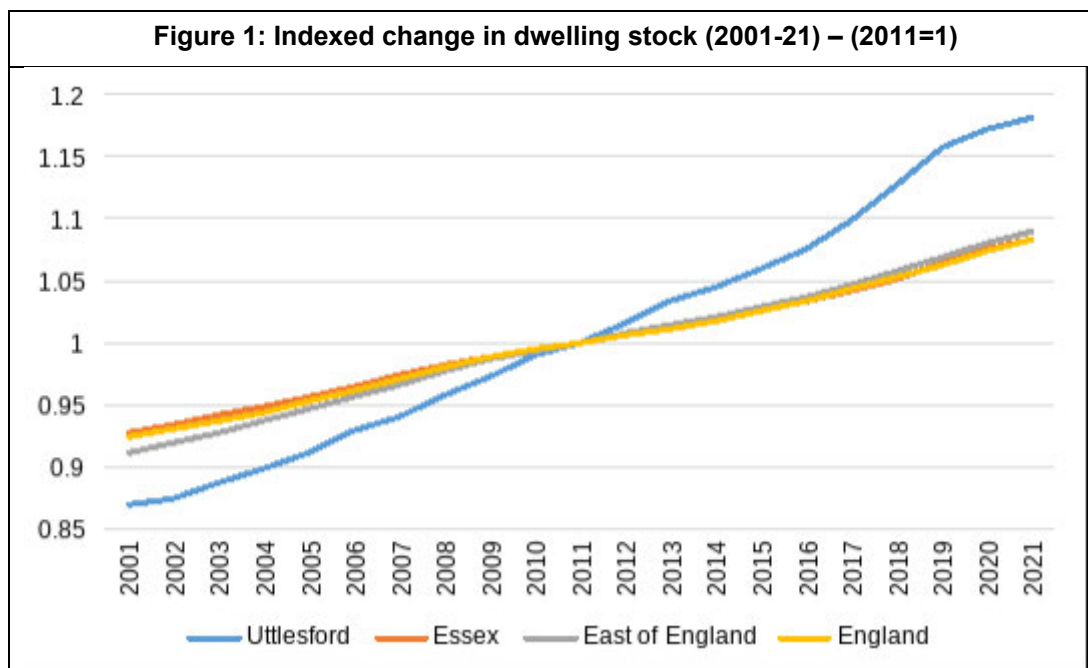
Summary

Background

1. This report provides a new Local Housing Needs Assessment (LHNA) for Uttlesford District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
2. The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
3. To understand the area, an initial phase of work was carried out to talk with key players in the housing market (including estate and letting agents). From this, agents noted the private rented sector in Uttlesford, like most other parts of the country, cannot deliver the supply needed and that this is particularly acute in Uttlesford due to the scale of out-migration from London.
4. It was noted that whilst Stansted Airport is a major employer and significant contributor to the local economy, its impact on Uttlesford's housing market is limited to the Great Dunmow area and its impact would appear to be greater in Bishop's Stortford, Harlow, and more southern towns along the M11 corridor.
5. Finally, both registered providers and the County Council highlighted delivery of extra-care housing for older people as a particular issue and this is picked up later in this report.
6. Overall, the report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – Older and Disabled People; and
 - Section 7 – Self- and Custom Build Housing.

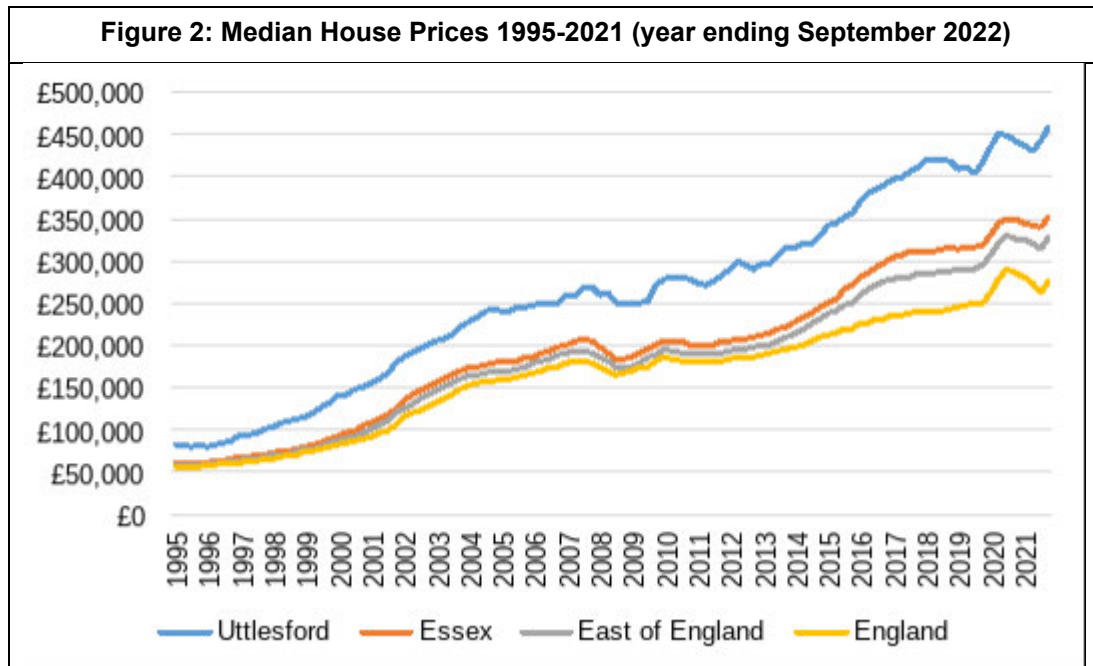
Area Profile

7. Analysis was carried out to provide background information about population and housing in Uttlesford. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
- Demographic baseline (including data on population age structure and changes)
 - Housing stock (including type and tenure)
 - Housing market (including data on house prices)
8. As of mid-2021, the population of Uttlesford is 91,900 and since 2011 the District's population has grown by around 15% which is a much faster rate of growth than across Essex, the east of England and nationally. The District also saw fast population growth in the 2001-2011 period.
9. The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions in their 50s. Over the past decade, the District has seen an ageing of the population, with the number of people aged 65 and over increasing by 36%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
10. Population growth in the District is largely driven by internal migration – moves from one part of the UK to another, although there are also positive levels of natural change (births minus deaths) and international migration).
11. ONS dwelling stock data indicates there were 38,800 dwellings in the District as of 2021, a net increase of 6,000 dwellings between 2011 and 2021. As with population growth, rates of change in dwelling numbers have been in excess of that seen in other areas, going back at least until 2001. Although Uttlesford has seen strong growth in the number of dwellings, the actual increase in the 2011-21 period is lower than many other areas – Uttlesford saw the 13th strongest growth of all local authorities in the East of England region and had lower growth than some other Essex authorities (Chelmsford and Colchester).



Source: DLUHC (Live Table 125)

12. Some 72% of all households in the District are owner-occupiers, notably higher than the national average of 62% (and higher than other benchmark areas), consequently the proportion of households living in the social rented (13%) and private rented (15%) sectors is lower than seen in other locations.
13. The housing stock is dominated by detached homes, making up 42% of all dwellings (23% nationally) and related to this the stock is generally larger in nature, with around 38% having 4+-bedrooms. Again linked to this, the District sees high levels of under-occupancy, with nearly half of all households living in homes with at least two spare bedrooms. Levels of overcrowding are very low – at just 1.4% of all households.
14. In the year to September 2022 the median house price in Uttlesford was £459,000. This is significantly above the median house price for comparator areas, and is 67% above the national average. Prices have also been increasing significantly, rising by 62% (£176,000) over the decade to September 2022. Over the past five years price rises have been more modest, increasing by 18%. When looking at median prices by property type, Uttlesford also typically sees higher prices for different types of property than Essex, the East of England region and England as a whole.



Source: ONS Small Area House Price Statistics

15. As well as higher house prices, the District typically seen higher private rental cost, with the median private rent for a 2-bedroom home standing at £950 per month in the year to September 2022. Rents overall are around 31% above the national average (compared with 67% when looking at median house prices). Over the past five years rents have increased by around 14%, lower than the increase in house prices over the same period.
16. In line with national trends, affordability in the District has worsened with the workplace based median affordability ratio in Uttlesford at 13.18 in 2022 – this is based on the ratio between median house prices and full-time earnings.
17. Overall, the data points to Uttlesford as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The District also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and levels of delivery above other areas.
18. That said, there are clearly issues suggested by the data. The house price to income ratio is high, pointing to potential difficulties in first-time-buyers (in particular) accessing the market – private rents are also high. At the same time, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.

Overall Housing Need

19. The LHNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 684 dwellings per annum. This is based on household growth of 488 per annum and a (capped) uplift for affordability of 40%.

20. The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF consultation of December 2022 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances. The consultation NPPF suggests that consideration will be given to 2021-based projections when these are published in 2024.
21. Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Uttlesford, the revision were very minor and unlikely to have any notable impact on the projections.
22. The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend (sources showing both higher and lower population estimates than had previously been projected and this did not point to any exceptional circumstances.
23. Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable.
24. Past build rates were also considered as areas with strong growth might be able to provide more homes than the Standard Method (also high delivery might point to an over-supply of housing). In Uttlesford, whilst delivery has been strong, averaging approaching 600 dwellings per annum over the past 5- and 10-years) it is again not considered that this provides any evidence to suggest a higher or lower figure than the Standard Method.
25. As a final test on exceptional circumstances, the Standard Method projection was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported. Overall, it was projected the labour supply would increase by around 14% over the 2023-33 decade and that this could support around 7,200-7,300 additional jobs – this is higher than the upper end job growth estimate from economic forecasts (around 5,700 jobs) and therefore does not point to a need to plan for housing in addition to the Standard Method.
26. Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Uttlesford (noting the premise of the method itself has not been challenged in this report). On that basis a bespoke demographic projection was developed to look at how the population might change if 684 homes per annum were delivered over the next 10-years. This showed continued strong population growth and an ageing of the population, although growth in the number of children and those of 'working-age' is also projected.

Figure 3: Population change 2023 to 2033 by broad age bands – Uttlesford (linked to Standard Method)				
	2023	2033	Change in population	% change from 2022
Under 16	18,322	20,421	2,099	11.5%
16-64	57,038	62,787	5,750	10.1%
65 and over	19,690	25,922	6,232	31.7%
Total	95,050	109,131	14,081	14.8%

Source: Demographic Modelling

Affordable Housing Need

27. Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
28. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
29. When looking at needs from households unable to buy OR rent, the analysis suggests a need for 261 affordable homes per annum across the District.

Figure 4: Estimated Need for Social/Affordable Rented Housing (per annum)	
	Per annum
Current need	53
Newly forming house-holds	270
Existing house-holds falling into need	55
Total Gross Need	378
Relet Supply	117
Net Need	261

Source: Affordable Needs Modelling (see Section 4)

30. Despite the level of need being high in relation to the Standard Method, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home) – indeed removing households from the modelling who are already in accommodation reduces the need to 192 per annum. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.

31. The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
32. When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Uttlesford who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
33. The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
34. However, given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
35. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
36. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Housing Mix

37. Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Uttlesford is fairly high with around 31% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.

38. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which in Uttlesford is notable in the market sector).
39. In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 30% to have at least 3-bedrooms. Our recommended mix is set out below:

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	20%	45%	25%	10%
Affordable housing (rented)	35%	35%	25%	5%

Source: Housing Market Model (see Section 5)

40. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
41. The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.
42. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
43. Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

Older and Disabled People

44. A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
45. The data shows that Uttlesford has a very slightly older age structure and notably lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (67% of all older person households are outright owners).
46. The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2023-33 period include:
- A 32% increase in the population aged 65+ (potentially accounting for 44% of total population growth);
 - A 41% increase in the number of people aged 65+ with dementia and a 39% increase in those aged 65+ with mobility problems;
 - A need for around 355 housing units with support (sheltered/retirement housing) – all within the market sector;
 - A need for around 330 additional housing units with care (e.g. extra-care) – the majority (around 90%) in the market sector;
 - A need for additional nursing care bedspaces (around 300 in the period); and
 - a need for around 370-640 dwellings to be for wheelchair users (meeting technical standard M4(3)).
47. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 10% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a fifth in the affordable sector).
48. Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
49. In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

Self- and Custom Build Housing

50. As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
51. The Uttlesford Local Plan (January 2005) was adopted before the Uttlesford Self and Custom Build register was set up. Therefore, there are no policies that specifically refer to self and custom build. However, though there is no reference to self and custom building within the supporting text, Policy H3 – New Homes within Development supports the principle to develop Self-Build plots as windfall sites, within the defined development boundaries and on land allocated to housing.
52. Data from the Council suggests that the demand has successfully been met with enough suitable permissions before the relevant deadlines. On that basis, it is suggested the Council continues with their current approach to custom- and self-build housing although consideration should be given to including a specific policy on this topic within the next Local Plan.

Overall Summary

53. Uttlesford has characteristics of an affluent area, including high house prices and a high proportion of households living in owner-occupied housing. However, the high house prices (also when considered relative to local incomes) and the general lack of social rented housing does point to potential affordability and the need for affordable housing.
54. The Standard Method for shows a housing need for 684 dwellings per annum in the District. This figure looks to be reasonable and there are no exceptional circumstances pointing towards a higher or lower figure – this conclusion takes account of up-to-date demographic trends.
55. There is a significant need for affordable housing, particularly for lower income households likely to need rented accommodation. The Council should prioritise delivery of social rented housing where it is viable to do so. There is also a potential need for affordable home ownership, although it seems difficult to make such homes genuinely affordable in a local context, thus lending further support for the provision of social rented housing.

1. Background

Introduction

- 1.1 This report provides a new Local Housing Needs Assessment (LHNA) for Uttlesford District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- 1.2 The Council is in the process of reviewing the evidence base for the new Local Plan which covers the period 2020-2040 and on that basis a key purpose of the Study is to assess how many, and determine the types of, homes that need to be planned for across the period 2020 – 2040 to ensure that the Local Plan remains up to date and continues to meet changing needs.
- 1.3 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

National Policy Context

- 1.4 The sub-sections below set out an overview of the key national planning policy and guidance in relation to housing need before moving on to look at proposed changes where these are relevant to this study.

NPPF – July 2021

- 1.5 The latest version of the National Planning Policy Framework (NPPF) was published by Government on 20th July 2021. Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.
- 1.6 The development plan must include strategic policies to address Council's priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that the plan should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.
- 1.7 Paragraph 11 reiterates that “strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless...the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area.”
- 1.8 In order to support the Government's objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where

it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

- 1.9 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.
- 1.10 Paragraph 62 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.
- 1.11 Paragraphs 63 – 65 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

Planning Practice Guidance

- 1.12 Government's Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing need. Guidance on Housing and economic needs assessments explains that housing need is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.
- 1.13 The PPG explains that policy-making authorities are expected to follow the Standard Method for assessing housing need and that the method is designed to identify the minimum number of homes expected to be planned for, addressing both projected household growth and historical under-supply.
- 1.14 The guidance does however note that the use of the standard method for strategic policy making purposes is not mandatory but that alternative methods should only be used in exceptional circumstances and will be tested at examination. Where an authority uses an approach leading to a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. The PPG also notes that any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.
- 1.15 The current guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be used. When using an alternative approach, it is necessary to take account of demographic growth and market

signals, but this cannot include using more recent versions of published SNHP. On their own these would not currently constitute exceptional circumstances.

NPPF – Consultation (December 2022)

1.16 On the 22nd December 2022 the DLUHC published a new draft NPPF for consultation. This document clearly shows the Government’s direction of travel in terms of planning policy and includes a number of proposals which may be relevant to Uttlesford.

1.17 In paragraph 11 dealing with the presumption in favour of sustainable development additional text has been added to criteria b(ii) along with a new b(iii). The underlined text below shows the proposed changes.

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.; such adverse impacts may include situations where meeting need in full would mean building at densities significantly out of character with the existing area

iii: there is clear evidence of past over-delivery, in terms of the number of homes permitted compared to the housing requirement in the existing plan.; in which case this over-delivery may be deducted from the provision required in the new plan.

1.18 Under ‘Examining Plans’ (notably paragraph 35) it is proposed that Local Plans should be positively prepared – *‘providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs so far as possible, taking into account the policies in this Framework’*. The same paragraph sees a watering down of the tests of soundness by removing the requirement for plans to be justified.

1.19 Section 5 of the consultation NPPF deals with ‘Delivering a sufficient supply of homes’ and contains a number of proposed changes.

Para 60 - The overall aim should be to meet as much housing need as possible with an appropriate mix of housing types to meet the needs of communities

Para 61 - The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be – unless exceptional circumstances relating to the particular characteristics of an authority which justify an alternative approach to assessing housing need; in which case the alternative used which should also reflects current and future demographic trends and market signals.

1.20 Finally, in Section 13 ‘Protecting Green Belt Land’ Green Belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need for housing over the plan period.

1.21 An accompanying Scope of Consultation document published alongside the consultation NPPF includes some additional information about the direction of travel. Most notable for this project is the suggestion that future estimates of housing need could move away from using the 2014-based subnational household projections (SNHP). Specifically the text says:

The standard method for assessing local housing need was introduced in 2018 to make sure that plan-making by local authorities is informed by an objective assessment of projected household growth and affordability pressures, while speeding up the process of establishing housing requirement figures through local plans. It remains important that we have a clear starting point for the plan-making process and we are not proposing any changes to the standard method formula itself through this consultation. However, we will review the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024.

- 1.22 There is also additional text about being more flexible in the use of the Standard Method. Under the heading of Using an Alternative Method the document states:

Local authorities will be expected to continue to use local housing need, assessed through the standard method, to inform the preparation of their plans; although the ability to use an alternative approach where there are exceptional circumstances that can be justified will be retained. We will, though, make clearer in the Framework that the outcome of the standard method is an advisory starting-point to inform plan-making – a guide that is not mandatory – and also propose to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method, such as islands with a high percentage of elderly residents, or university towns with an above-average proportion of students.

Qualitative research and stakeholder consultation

- 1.23 Whilst much of the project is based on analysis of a wide range of data sources covering a number of topics an initial stage of the project sought to speak to key players in the housing market to help provide some context for the analysis to follow. Below is a summary of these discussions and initial impressions of the District.

Introduction

- 1.24 We visited the main settlements in district to obtain context to the study and undertake face to face interviews with estate and letting agents. Visits included Chesterford, Elmdon, Felsted, Great Dunmow, Littlebury, Stansted Mountfitchet, Stansted Airport, Saffron Walden, Stebbing and Thaxted. Consultation includes selected registered providers and strategic housing officials employed by Essex County Council.

Overview of the District

- 1.25 The district is predominantly rural and agricultural. The two main settlements are Saffron Walden and Great Dunmow. These are market towns. Great Dunmow in particular, has seen significant growth recently. These towns offer a wide range of services to local residents and surrounding villages and rural enterprises. Their high streets are distinctive and comprise mostly of local independent businesses. Stansted Airport drives the largest centre of employment and is a hub for hospitality distribution and technical support industries.

Consultation with Estate and Letting Agents

- 1.26 Interviews with agents covered the topics of gaps in supply, in-migration, investors, and the impact of Stansted Airport expansion on the housing market. 6 agents were interviewed. Interviews took place at Great Dunmow and Saffron Walden.

- 1.27 All agents reported high levels of transactions for sale or rent from incomers. Some reported 50% of transactions. In the south of the district these were mostly from households moving out of London. We were told that relocation out of London allows wider choice, of housing, lower living costs, better state education for their children and the ability to commute back to their place of work. The north of the district also houses households relocating from the Cambridge area. The towns and villages are also popular locations for retiring and retired households. Agents said that implications of this were high house prices, unaffordable to lower income and newly forming households.
- 1.28 High prices also limit the scale of investment from small scale investors. We were told that supply of rented housing was not keeping up with demand because of an unwillingness to invest by a largely demoralised private rented sector. This was due to the cumulative effect of changes to the tax system, increased regulation, and measures in the white paper “A Fairer Private Rented Sector” (2022). All agents reported high levels of demand citing waiting lists of hundreds of households. Agents mostly had only one or two vacancies at any time and were having to put a cap on the number of viewings for each vacancy. They said that a particular gap was good quality family housing with off-street parking. There was little evidence of build to rent initiatives and little scope for commercial to residential conversion on any scale.
- 1.29 Great Dunmow agents (sales and lettings) told us there were high levels of demand from Stansted Airport employees whether from management, aircrew, technical support or hospitality. Lower paid workers had little choice but to travel in from areas with lower housing prices. Some agents had branches in towns such as Bishop’s Stortford, Harlow and others along the M11 corridor south of the airport. One agent drew attention to problems supplying short term accommodation for visiting workers, temporary workers or new employees undergoing training and spoke of some agents working with hotels to provide rooms or even shared accommodation.
- 1.30 Agents in Saffron Walden told us that there was little impact from airport employees. Whilst there is uncertainty about the long-term future of Carver Barracks, we asked agents in Saffron Walden about impact on the local housing market from servicemen based at the barracks. We were told there was little impact as the base was very self-contained.

Consultation with Registered Providers

- 1.31 Seven questionnaires were sent to a selection of registered providers who were seeking to expand their stock holding – 3 responses were received. The findings are summarised below.

Supply of social and affordable rented housing

- 1.32 Some registered providers reported difficulty letting 1-bedroom first floor flats and a shortage of 4-bedroom family housing.

Management and regeneration

- 1.33 None of the respondents were envisaging management intervention or regeneration that would involve decanting tenants over the next 5-years.

Supply from s106 agreements

- 1.34 All respondents were aware of the council's priorities for tenure and bedroom mix from large scale development of housing and the supply of affordable housing arising from it. No respondent considered that the supply arising from such development was inappropriate.

Special needs commissioning

- 1.35 None of the respondents were providers of specialist accommodation.

Evidence of need for affordable home ownership

- 1.36 Respondents each raised different issues:
- there are affordability issue affecting higher share shared ownership resales;
 - changes in the help to buy agent system will necessitate closer working with the local authority regarding demand and strengthen the effectiveness of registered provider internal application processes;
 - shared ownership remains a highly popular product; and
 - restriction on staircasing and local connection criteria can make some first sales and resales more difficult to achieve.

Homeoption.org

- 1.37 One registered provider said they had no feedback on numbers of bids for individual vacancies. Other comments were:
- the process is satisfactory, but nominations can be slow to come through;
 - multiple nominations for the same vacancy would be helpful; and
 - improved communications would be welcome when it is difficult to find suitable applicants.

Stansted Airport expansion

- 1.38 Registered providers envisaged little impact due to low levels of stock and the policies that prioritise local need. One registered provider considered that improving shared ownership supply may help.

Consultation with the Essex County Council strategic housing team

- 1.39 Telephone interviews took place with members of the strategic housing team. It is unusual that a non-unitary county council employs a team of housing specialists. It was explained to us that the role of the team was to ensure that strategic county functions that had implications for housing was well co-

ordinated with local planning authorities (LPA) and local housing authorities (LHA). The critical issues identified by the team were:

- refresh of the Essex wide housing strategy;
- infrastructure for new development (roads, transport, community services);
- designing and delivering the garden villages;
- delivery of social care in areas of housing growth;
- health and social care; and
- co-ordination of homelessness related services.

- 1.40 Officers pointed out that social care was the largest area of spending of the council. The council was engaging with registered providers and there was a specific programme for extra care housing. The aim here was to influence LPA/LHA policy providers and seek to replicate the Hertfordshire commissioning strategy. Officers told us that addressing the needs of the aging population was a major challenge for the county. The strategic approach was to assist people to live independently with appropriate support and adaptation for as long as possible.
- 1.41 Officers told us about the impact of out of (London) borough placements of homeless and vulnerable people and the bi-lateral agreement that had been reached. Also, the partnership working with the nine Essex districts to address rough sleeping.
- 1.42 We expressed our concern over problems in achieving effective consultation with the NHS on housing issues across the country. Officers explained that the county was responsible for public health and working with that team provided the housing team with data and insights that helped to shape strategy and policy. There was a focus on delivering healthy outcomes through the design of garden communities through addressing car dependency, housing density and social isolation.
- 1.43 We also sought an overview of issues facing the county with specific reference to Uttlesford. We drew attention to the policy issues faced by the outer London boroughs in delivering their housing requirement due to greenbelt constraints. We were told that this was an acute issue on the south of the county, less so in Uttlesford.
- 1.44 We also asked for a perspective on Stansted Airport expansion. Officers thought it would have modest impact on Uttlesford pointing out that the expansion was much less significant in scale than the Harwich Freeport project. Officers acknowledged that there was a role for the county in improving public transport to the airport. The limited impact is likely to be due to the capacity and nature of the housing offer in the south of the district.

Key Findings from the Consultation

- 1.45 The private rented sector in Uttlesford, like most other parts of the country, cannot deliver the supply needed. This is particularly acute in Uttlesford due to the scale of out-migration from London.

- 1.46 Whilst Stansted Airport is a major employer and significant contributor to the local economy, its impact on Uttlesford's housing market is limited to the Great Dunmow area and its impact would appear to be greater in Bishop's Stortford, Harlow, and more southern towns along the M11 corridor.
- 1.47 Information from the registered providers who responded to our survey is very limited on the question of delivering extra care housing. Given the scale of the challenge described by the County Council this topic merits further discussion in this report.

Structure of this Report

- 1.48 This report sets out a number of either linked or distinct sections; these are summarised below with a brief description:
- Section 2 – Area Profile – Provides background analysis including looking at demographic trends, house prices and house price changes;
 - Section 3 – Overall Housing Need – Uses the Standard Method to calculate housing need and also considers circumstances where an alternative housing requirement might be justified;
 - Section 4 – Affordable Housing Need – Updates previous analysis about the need for affordable housing and builds on this by considering changes in the NPPF since the previous assessment and more recent Government announcements;
 - Section 5 – Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures.
 - Section 6 – The Needs of Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
 - Section 7 – Custom- and Self-Build Housing – Provides information about the demand for and supply of custom- and self-build housing plots.

Rounding

- 1.49 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

Background: Key Messages

- This report provides a new Local Housing Needs Assessment (LHNA) for Uttlesford District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

- To understand the area, an initial phase of work was carried out to talk with key players in the housing market (including estate and letting agents). From this, agents noted the private rented sector in Uttlesford, like most other parts of the country, cannot deliver the supply needed and that this is particularly acute in Uttlesford due to the scale of out-migration from London.
- It was noted that whilst Stansted Airport is a major employer and significant contributor to the local economy, its impact on Uttlesford's housing market is limited to the Great Dunmow area and its impact would appear to be greater in Bishop's Stortford, Harlow, and more southern towns along the M11 corridor.
- Finally, both registered providers and the County Council highlighted delivery of extra-care housing for older people as a particular issue and this is picked up later in this report.
- Overall, the report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – Older and Disabled People; and
 - Section 7 – Self- and Custom Build Housing.

2. Area Profile

Introduction

2.1 This section provides some background analysis about population and housing in Uttlesford. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:

- Demographic baseline (including data on population age structure and changes)
- Housing stock (including type and tenure)
- Housing market (including data on house prices)

Population

2.2 As of mid-2021, the population of Uttlesford is estimated to be 91,900 this is a growth of around 11,900 people over the previous decade. This equates to a growth of around 14.9% since 2011 which is a much higher rate of growth than across Essex (7.9%), the East of England region (8.3%) and nationally (6.5%).

	Population (2011)	Population (2021)	Change	% change
Uttlesford	80,032	91,948	11,916	14.9%
Essex	1,396,599	1,506,345	109,746	7.9%
East of England	5,862,418	6,348,096	485,678	8.3%
England	53,107,169	56,536,419	3,429,250	6.5%

Source: Mid-year population estimates

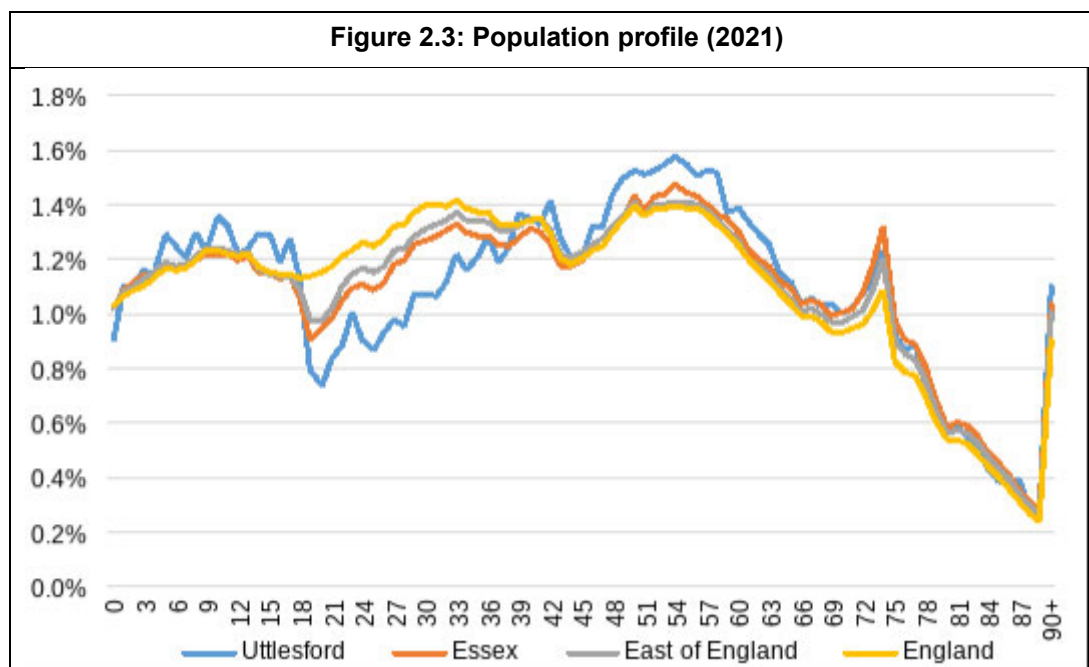
2.3 The table below considers population growth rate in the 20-year period from 2001 to 2021. The analysis shows over this period that the population of Uttlesford has grown at a substantially faster rate to that seen in other areas – indeed annual growth is roughly double any of the benchmark areas shown below.

	Growth Rate (2001 – 2011)	Growth Rate (2011 – 2021)	Growth Rate (2001 – 2021)
Uttlesford	1.6%	1.5%	1.7%
Essex	0.6%	0.8%	0.7%
East of England	0.7%	0.6%	0.7%
England	0.9%	0.8%	0.9%

Source: Mid-year population estimates

Age Structure

- 2.4 The figure below shows the age structure by single year of age (compared with a range of other areas). From this it is clear that Uttlesford has fewer people aged in their 20s and 30s than other areas and a higher proportion of people aged in their 50s. The age structure regarding older persons is broadly similar to that seen in other locations.



Source: Mid-year population estimates

- 2.5 The analysis below summarises the above information (including total population numbers for Uttlesford) by assigning population to three broad age groups (which can generally be described as a) children, b) working age and c) pensionable age). This analysis does not show the differences within the 'working-age' group but does highlight a similar proportion of people aged 65 and over, and a similar proportion of children when compared with other locations.

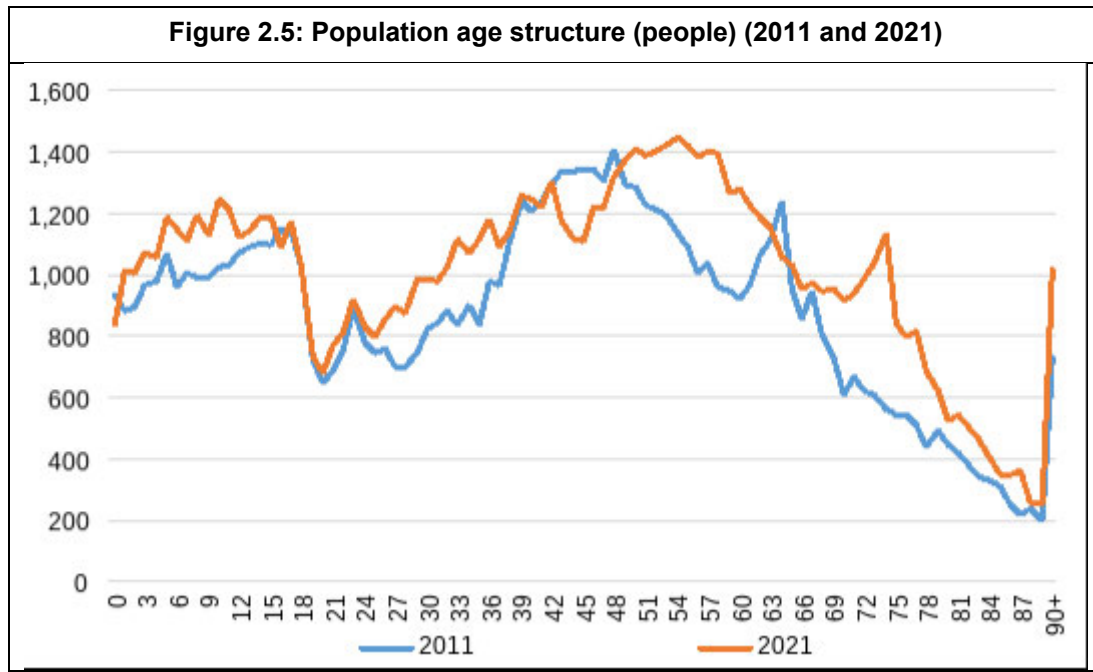
Figure 2.4: Population profile (2021) – summary age bands

	Uttlesford		Essex	East of England	England
	Population	% of population	% of population	% of population	% of population
Under 16	17,819	19.4%	18.6%	18.7%	18.5%
16-64	55,507	60.4%	60.7%	61.6%	63.0%
65+	18,622	20.3%	20.7%	19.7%	18.5%
All Ages	91,948	100.0%	100.0%	100.0%	100.0%

Source: Mid-year population estimates

Age Structure Changes

- 2.6 The figure below shows how the age structure of the population has changed in the 10-year period from 2011 to 2021 – the data used is based on population so will reflect the notable increase seen in this period. There have been some changes in the age structure, including increases in the population in their late 20s and early 30s, as well as people in their 50s. The proportion of people aged 65 and over also looks to have increased notably.



Source: Mid-year population estimates (2021)

- 2.7 Where there are differences, it is often due to cohort effects (i.e. smaller or larger cohorts of the population getting older over time). One notable feature however is the higher proportion of children in 2021 – nationally increases in the number of children were fairly modest over the 2011-21 period. The information above is summarised into three broad age bands to ease comparison. The table below shows an increase of 10% in the 16–64 age group and a much larger increase of 36% in the 65+ age group.

Figure 2.6: Change in population by broad age group (2011-21) – Uttlesford

	2011	2021	Change	% change
Under 16	16,060	17,819	1,759	11.0%
16-64	50,258	55,507	5,249	10.4%
65+	13,714	18,622	4,908	35.8%
TOTAL	80,032	91,948	11,916	14.9%

Source: Mid-year population estimates

Components of Population Change

- 2.8 The table below consider the drivers of population change 2001 to 2021 – this is data published prior to any corrections due to the 2021 Census and shows ONS monitoring of population estimates. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international). There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated (this is only calculated for the 2001-11 period). There are also ‘other changes’, which are generally small and often related to armed forces personnel or boarding school pupils.
- 2.9 The data shows natural change to generally be dropping over time (i.e. the number of excess births compared with deaths is reducing) and migration is variable, with no clear trend – it is however clear that migration, and particularly internal (domestic) migration is the main driver of population change in the District.
- 2.10 The analysis also shows (for the 2001-11) period a modest level of UPC, this suggests when the 2011 Census was published ONS had previously under-estimated population change (albeit the figures are not significant).
- 2.11 Overall the data shows a continuing trend of strong population growth throughout the period studied and it is notable that population is estimated to have grown by in excess of 1,000 people each year going back as far as 2005.

Figure 2.7: Components of population change, mid-2001 to mid-2021 – Uttlesford

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	66	241	130	22	101	560
2002/3	119	340	183	4	103	749
2003/4	46	254	167	13	107	587
2004/5	86	306	225	5	93	715
2005/6	151	833	270	-15	110	1,349
2006/7	165	1,016	33	-5	94	1,303
2007/8	160	895	142	-17	93	1,273
2008/9	149	962	90	5	67	1,273
2009/10	271	1,375	145	-7	58	1,842
2010/11	282	985	127	-9	27	1,412
2011/12	243	924	-26	26	0	1,167
2012/13	252	1,072	73	84	0	1,481
2013/14	218	966	178	24	0	1,386
2014/15	211	705	178	45	0	1,139
2015/16	192	823	136	-67	0	1,084
2016/17	118	1,153	129	-5	0	1,395
2017/18	191	1,165	101	38	0	1,495
2018/19	208	1,764	89	44	0	2,105
2019/20	130	1,248	75	22	0	1,475
2020/21	92	1,540	1	41	0	1,674

Source: ONS

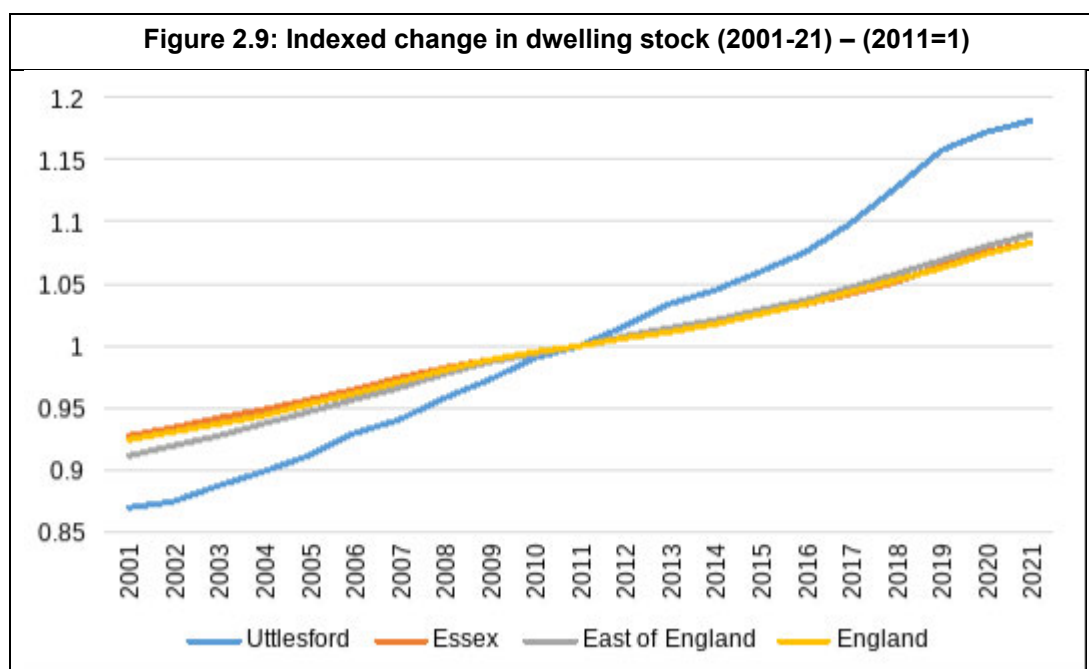
Housing Stock

2.12 As of 2021 there were 38,800 dwellings in Uttlesford, an increase of 6,000 over the 10-year period from 2011 – this represents an 18% increase in the number of homes, roughly double that seen across a range of benchmark areas. Although Uttlesford has seen strong growth in the number of dwellings, the actual increase in the 2011-21 period is lower than many other areas – Uttlesford saw the 13th strongest growth of all local authorities in the East of England region and had lower growth than some other Essex authorities (Chelmsford and Colchester).

Figure 2.8: Change in dwellings (2011-21)

	Dwellings (2011)	Dwellings (2021)	Change	% change
Uttlesford	32,862	38,833	5,971	18.2%
Essex	603,842	654,333	50,491	8.4%
East of England	2,531,907	2,759,088	227,181	9.0%
England	22,976,066	24,873,321	1,897,255	8.3%

Source: DLUHC (Live Table 125)



Source: DLUHC (Live Table 125)

- 2.13 By using Census data about the number of households it is possible to estimate the number of vacant homes in the District and how this has changed from 2011 to 2021. In 2011, there were 31,316 households in the District, implying a vacancy rate of 4.7%; by 2021 there were 36,960 households and an implied vacancy rate of 4.8%. Whilst this suggests the proportion of vacant homes has increased, this change is not as significant as seen in other areas, notably the proportion of vacant homes nationally is estimated to have increased from 4.0% to 5.8% over the 2011-21 decade.

Figure 2.10: Estimated proportion of vacant homes (2011 and 2021)

	2011	2021
Uttlesford	4.7%	4.8%
Essex	3.7%	4.3%
East of England	4.3%	4.7%
England	4.0%	5.8%

Source: DLUHC (Live Table 125) and Census

Tenure

- 2.14 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers, particularly those with a mortgage. The proportion of households living in both the social rented sector and private rented accommodation is lower than observed in other areas. The figures for private rent include a small number of households categorised as living rent free.

	Uttlesford		Essex	East of England	England
	Households	% of households	% of households	% of households	% of households
Owns outright	13,177	35.7%	36.3%	34.6%	32.5%
Owns with mortgage/loan	13,568	36.7%	33.5%	31.6%	29.8%
Social rented	4,809	13.0%	14.1%	15.5%	17.1%
Private rented	5,401	14.6%	16.0%	18.3%	20.6%
TOTAL	36,955	100.0%	100.0%	100.0%	100.0%

Source: 2021 Census

- 2.15 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows data from the 2011 and 2021 Census. From this it is clear that there has been notable growth in the number of households living in all tenures, but particularly outright owners (owners with a mortgage seeing the lowest increase). Both the social and private rented sectors see notable increases over time.

	2011	2021	Change	% change
Owns outright	10,668	13,177	2,509	23.5%
Owns with mortgage/loan	12,078	13,568	1,490	12.3%
Social rented	3,961	4,809	848	21.4%
Private rented	4,609	5,401	792	17.2%
TOTAL	31,316	36,955	5,639	18.0%

Source: Census (2011 and 2021)

Dwelling Type

- 2.16 The 2021 Census shows that, detached homes were the most common dwelling type within Uttlesford at 42% of total dwelling stock, significantly above the national average for this built-form (23%). Flats/maisonettes are least common at 11% (this includes 0.6% of dwellings recorded as 'other').

	Uttlesford		Essex	East of England	England
	Dwellings	% of dwellings	% of dwellings	% of dwellings	% of dwellings
Detached	15,507	42.0%	30.5%	29.6%	22.9%
Semi-detached	11,427	30.9%	31.5%	31.0%	31.5%
Terraced	5,803	15.7%	19.9%	21.2%	23.0%
Flat/other	4,222	11.4%	18.1%	18.2%	22.6%
TOTAL	36,959	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

- 2.17 The Census can also be used to look at changes in dwelling types over the 2011-21 decade. This shows increases for all built-forms with the number of flats increasing by 26% - this however only represents 16% of additional dwellings – 42% of additional homes shown by the Census are detached, the same proportion as there are already in the stock. The data therefore points to deliver in the 2011-2021 period as broadly following the profile of the existing stock.

	2011	2021	Change	% change	% of change
Detached	13,139	15,507	2,368	18.0%	42.0%
Semi-detached	9,622	11,427	1,805	18.8%	32.0%
Terraced	5,208	5,803	595	11.4%	10.5%
Flat/other	3,347	4,222	875	26.1%	15.5%
TOTAL	31,316	36,959	5,643	18.0%	100.0%

Source: Census (2011 and 2021)

Bedrooms (accommodation size)

- 2.18 The analysis below shows the number of bedrooms available to households as of the 2021 Census. Generally, the size profile in Uttlesford is one of larger homes with 38% of homes having 4+-bedrooms – this compares with just 21% nationally. The proportion of 1- and 2-bedroom homes is relatively low compared with other locations.

	Uttlesford		Essex	East of England	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
1-bedroom	2,829	7.7%	10.6%	10.7%	11.6%
2-bedrooms	7,602	20.6%	26.3%	25.8%	27.3%
3-bedrooms	12,654	34.2%	37.8%	39.6%	40.0%
4+-bedrooms	13,873	37.5%	25.2%	23.9%	21.1%
TOTAL	36,958	100.0%	100.0%	100.0%	100.0%
Average bedrooms	3.02		2.77	2.77	2.71

Source: Census (2021)

- 2.19 The table below shows how the number of bedrooms has changed over the 2011-21 decade for the whole of the District. This shows that around 50% of the change is accounted for by 4+-bedroom homes, with increases also seen for other dwelling sizes. The analysis points to homes with 3-bedrooms seeing the smallest proportionate increase, although 3-bedroom homes still make up nearly a quarter of the change recorded by the Census.

	2011	2021	Change	% change	% of change
1-bedroom	2,289	2,829	540	23.6%	9.6%
2-bedrooms	6,601	7,602	1,001	15.2%	17.7%
3-bedrooms	11,375	12,654	1,279	11.2%	22.7%
4+-bedrooms	11,051	13,873	2,822	25.5%	50.0%
TOTAL	31,316	36,958	5,642	18.0%	100.0%

Source: Census (2011 and 2021)

Overcrowding and Under-Occupation

2.20 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The box below shows how the standard is calculated, this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

For the purposes of the bedroom standard a separate bedroom shall be allocated to the following persons –
(a) A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
(b) A person aged 21 years or more
(c) Two persons of the same sex aged 10 years to 20 years
(d) Two persons (whether of the same sex or not) aged less than 10 years
(e) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years
(f) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.

2.21 The analysis shows that levels of overcrowding in Uttlesford are low in a national context with only 1.4% of households being overcrowded in 2021 (compared with 4.4% nationally). This level of overcrowding is also below the regional average and for the whole of Essex. Levels of under-occupation are also relatively high with around 49% of households having a rating of +2 or more – this is notably higher than seen across England and also above that seen in other areas.

	Uttlesford		Essex	East of England	England
	Number of households	% of households	% of households	% of households	% of households
+2 or more	18,167	49.2%	38.3%	38.5%	35.6%
+1 or more	11,240	30.4%	33.5%	32.9%	33.2%
0	7,028	19.0%	25.0%	25.2%	26.8%
-1 or less	523	1.4%	3.2%	3.4%	4.4%
TOTAL	36,958	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

- 2.22 The table below shows how levels of overcrowding and under-occupancy have changed in the 2011-21 decade. This shows a significant increase in the number of household under-occupying homes and a reduction in overcrowding.

	2011	2021	Change	% change
+2 or more	14,961	18,167	3,206	21.4%
+1 or more	9,969	11,240	1,271	12.7%
0	5,695	7,028	1,333	23.4%
-1 or less	691	523	-168	-24.3%
TOTAL	31,316	36,958	5,642	18.0%

Source: Census (2011 and 2021)

House Prices

- 2.23 In the year to September 2022 the median house price in Uttlesford was £459,000 – this is above the average seen in the benchmark areas, including being some 67% above the national average.

	Price	Difference from England
Uttlesford	£458,760	+67%
Essex	£352,000	+28%
East of England	£328,000	+19%
England	£275,000	-

Source: ONS Small Area House Price Statistics

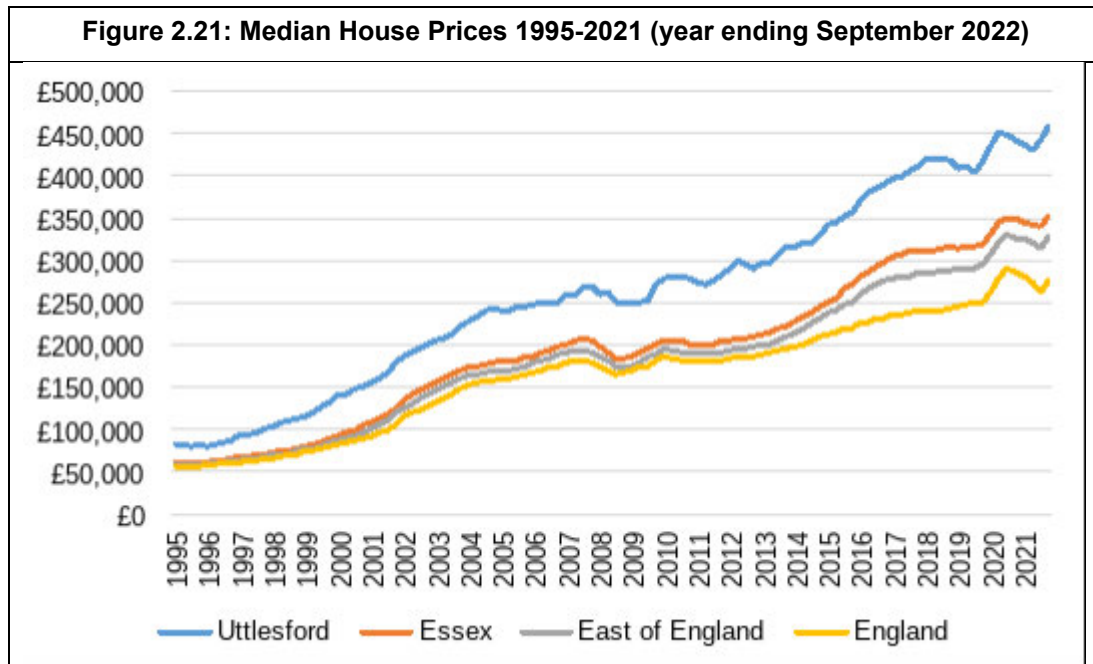
- 2.24 The table below shows median prices by dwelling type. This again shows some significant differences between prices in Uttlesford and other locations – it is however the case that a median flat price in the District is slightly lower than the national average (which is likely to be influenced by prices of flats in London). The higher prices in Uttlesford do point to relatively strong housing demand.

	Flat/ Maisonette	Terraced	Semi- Detached	Detached	All Sales
Uttlesford	£210,000	£369,000	£430,000	£655,000	£458,760
Essex	£200,000	£317,000	£369,500	£515,000	£352,000
<i>Differential</i>	<i>£10,000</i>	<i>£52,000</i>	<i>£60,500</i>	<i>£140,000</i>	<i>£106,760</i>
East of England	£200,000	£294,625	£335,150	£465,000	£328,000
<i>Differential</i>	<i>£10,000</i>	<i>£74,375</i>	<i>£94,850</i>	<i>£190,000</i>	<i>£130,760</i>
England	£220,000	£225,000	£260,000	£425,000	£275,000
<i>Differential</i>	<i>£-10,000</i>	<i>£144,000</i>	<i>£170,000</i>	<i>£230,000</i>	<i>£183,760</i>

Source: ONS Small Area House Price Statistics

House Price Changes

- 2.25 The figure below shows growth in the median house price over the period since 1995. House prices in Uttlesford closely followed the national trend across England over time, with stronger price growth in the pre-recessionary period between 2003 and 2008, a dip during the recession and a strong increase to 2018 before seeing some variation over the last couple of years or so.



Source: ONS Small Area House Price Statistics

- 2.26 Relative to other areas, percentage house price increases in Uttlesford have been lower than seen across Essex and the East of England, however in actual cost terms, the change in Uttlesford has been notably higher. It is also notable that house prices in the District have increased at a faster rate in both percentage and actual cost terms than has been seen nationally.

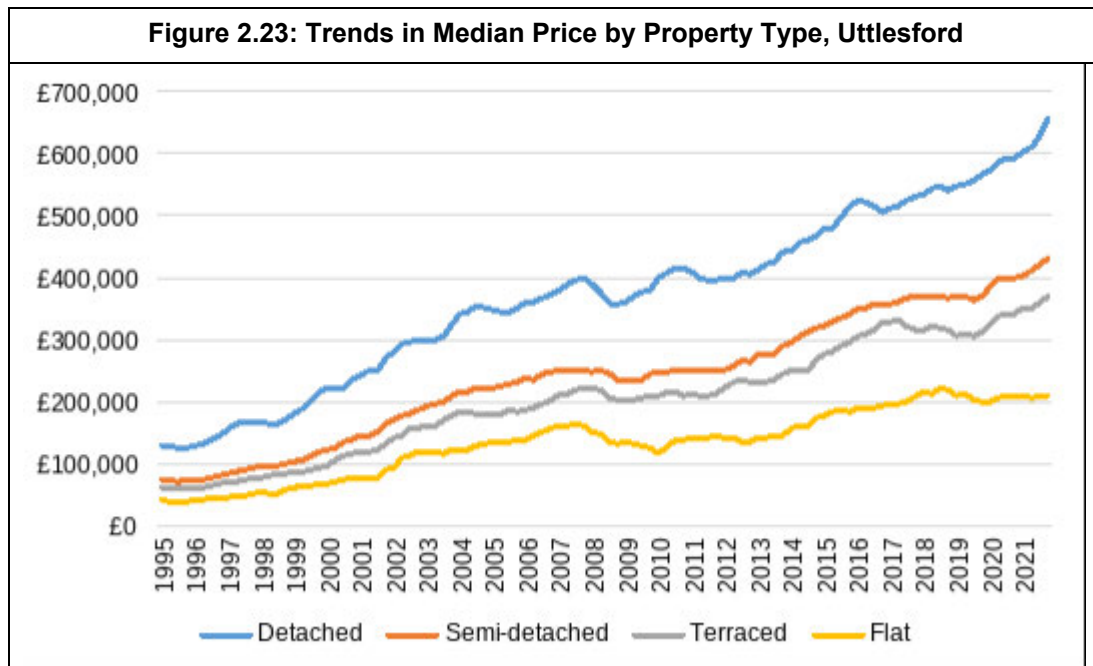
Figure 2.22: Median House Price Change year ending September 2012 to year ending September 2022

	Year ending Sept 2012	Year ending Sept 2022	Change	% change
Uttlesford	£282,750	£458,760	£176,010	62.2%
Essex	£204,000	£352,000	£148,000	72.5%
East of England	£190,000	£328,000	£138,000	72.6%
England	£181,500	£275,000	£93,500	51.5%

Source: ONS Small Area House Price Statistics

- 2.27 Trends in the values of different types of properties in Uttlesford are shown in the figure below. It shows that in the longer-term, the strongest value growth has been for detached properties although all dwelling types have seen increased values. It is also notable that all dwelling types saw a drop in price

through the early part of the 2008 recession, but that detached homes look to have been particularly affected by this.



Source: ONS Small Area House Price Statistics

- 2.28 The table below shows data for the last decade (to September 2022) – this shows all house types increasing by a broadly similar percentage, with the percentage increase for flats being somewhat lower.

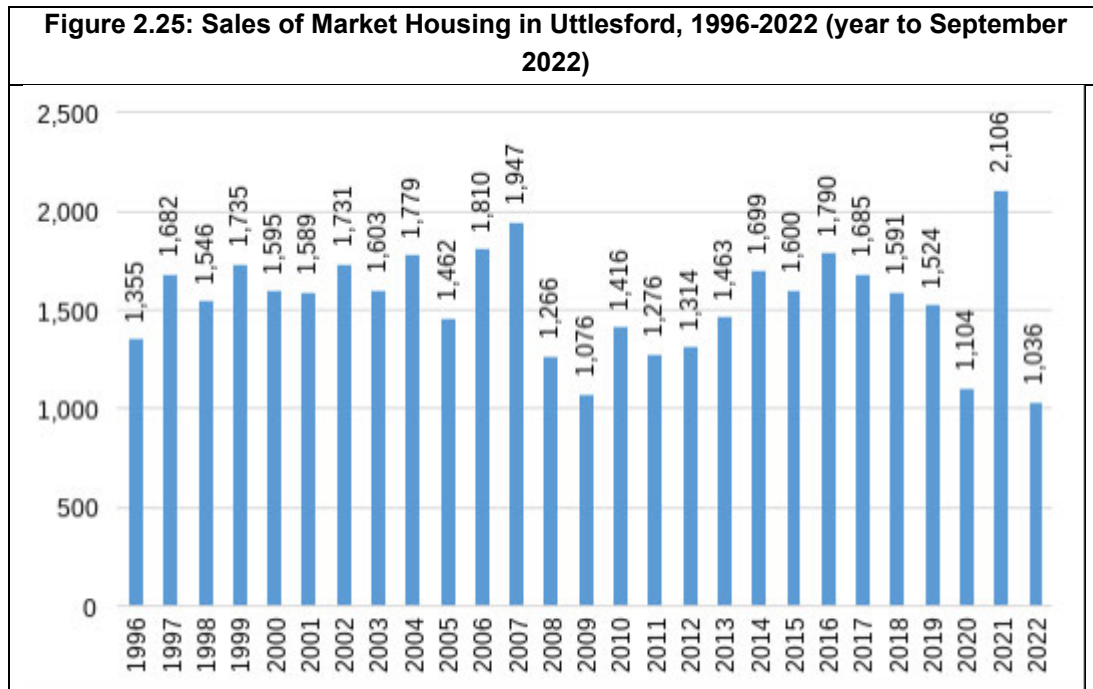
Figure 2.24: Median House Price Change year ending September 2012 to year ending September 2022 by dwelling type - Uttlesford

	Year ending Sept 2012	Year ending Sept 2022	Change	% change
Detached	£395,000	£655,000	£260,000	65.8%
Semi-detached	£250,000	£430,000	£180,000	72.0%
Terraced	£212,500	£369,000	£156,500	73.6%
Flat	£143,000	£210,000	£67,000	46.9%

Source: ONS Small Area House Price Statistics

Sales

- 2.29 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of 'effective demand' for market housing. Sales volumes averaged about 1,700 per annum over the 10-year period to 2008. They fell dramatically as a result of the 'credit crunch', before picking up from 2012 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Uttlesford have however been trending down since 2016.
- 2.30 The drop in sales volumes seen since 2016 is likely to have been influenced by the effects of macro-economic uncertainty on the market – linked to Brexit – coupled with changes to mortgage interest relief which have affected the buy-to-let market. The most recent data will also be starting to pick up the impact of the war in Ukraine and associated 'cost of living crisis'.



Source: ONS Small Area House Price Statistics

Private Rental Values

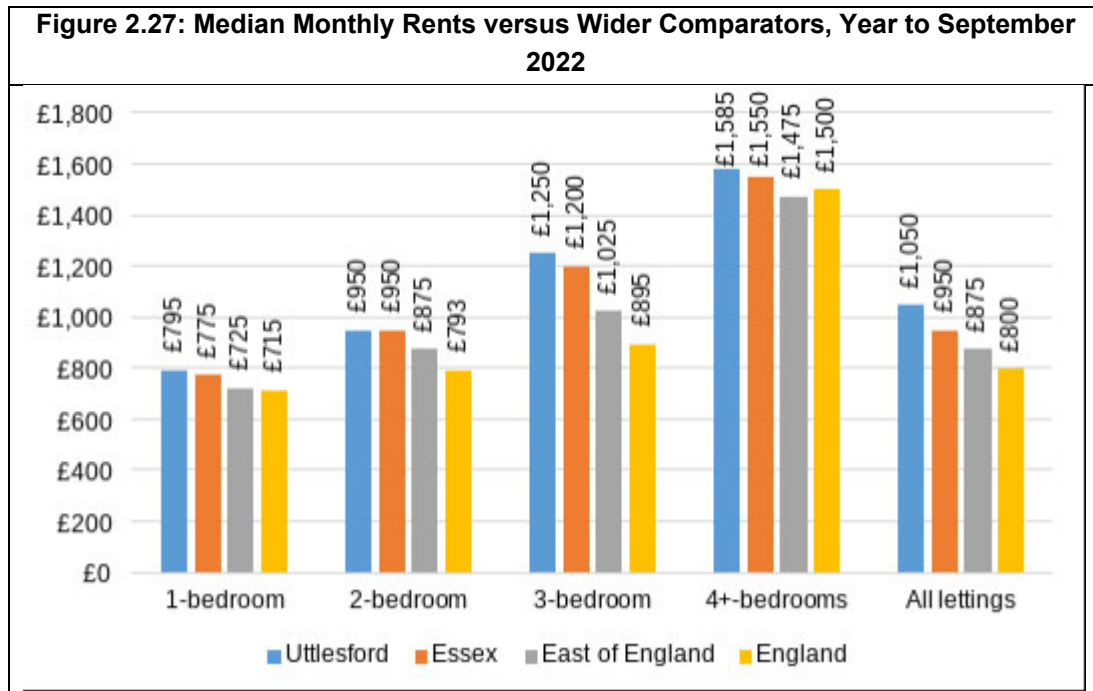
2.31 The analysis below reviews current private rents in Uttlesford against the County, regional and national average. The data is drawn from the ONS Private Rental Market Statistics. Median monthly rents vary from £625 for a Studio to £1,585 for 4+-bedroom properties in the District.

Figure 2.26: Monthly Rents in Uttlesford, Year to September 2022

	Mean	Lower Quartile	Median
Room	-	-	-
Studio	£638	£600	£625
1-bed	£801	£725	£795
2-bed	£976	£875	£950
3-bed	£1,241	£1,050	£1,250
4+ bed	£1,661	£1,300	£1,585
All Lettings	£1,158	£875	£1,050

Source: ONS Private Rental Market Statistics

2.32 The median rent for all properties is 11% above the Essex average, 20% higher than the East of England average and 31% above the England average. Rents in Uttlesford for all property sizes are all above the national average. It is however notable that differences between areas for private rents are not a great as for sale prices – analysis earlier showed the average house price in the District to be 67% higher than the national average, compared with private rents being 'just' 31% higher.



Source: ONS Private Rental Market Statistics

- 2.33 Analysis below has also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 14%. The strongest growth has been for smaller (1- and 2-bedroom) properties with little change shown for larger (4+-bedroom) homes, although figures for any specific period will be influenced by the types of property let.

Figure 2.28: Median Rental Change in Uttlesford, 2016/17 – 2021/22

	2016/17	2021/22	Change	% Change
1-bed	£695	£795	£100	14.4%
2-bed	£850	£950	£100	11.8%
3-bed	£1,200	£1,250	£50	4.2%
4+ bed	£1,575	£1,585	£10	0.6%
All Lettings	£925	£1,050	£125	13.5%

Source: ONS Private Rental Market Statistics

- 2.34 The table below compares changes in overall median private sector rents in Uttlesford with other locations. Interestingly all areas have seen an increase of £125 per month, which means in proportionate terms a slightly lower increase in Uttlesford compared with other locations.

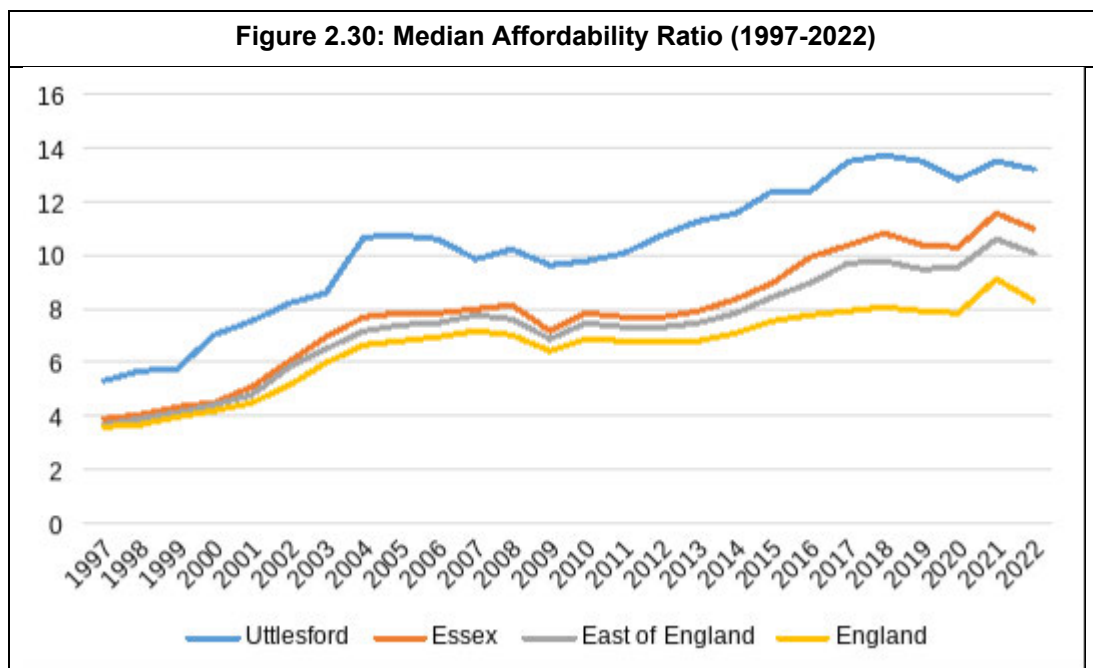
Figure 2.29: Median Rental Change in a range of areas, 2016/17 – 2021/22

	2016/17	2021/22	Change	% Change
Uttlesford	£925	£1,050	£125	13.5%
Essex	£825	£950	£125	15.2%
East of England	£750	£875	£125	16.7%
England	£675	£800	£125	18.5%

Source: ONS Private Rental Market Statistics

Market Affordability

2.35 The figure below shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in the District. In all areas affordability has worsened between 1997 and 2022, Uttlesford now sees an affordability ratio of 13.18, which is worse than those seen in other locations. In terms of trends the Uttlesford and other area figures see a broad alignment although data for Uttlesford can be a bit more variable year-on-year – as the earnings estimates are derived from survey based data they can be prone to fluctuations particularly in smaller areas.



Source: ONS, Housing Affordability in England and Wales

Area Profile: Key Messages

- Analysis was carried out to provide background information about population and housing in Uttlesford. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)

- As of mid-2021, the population of Uttlesford is 91,900 and since 2011 the District's population has grown by around 15% which is a much faster rate of growth than across Essex, the east of England and nationally. The District also saw fast population growth in the 2001-2011 period.
- The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions in their 50s. Over the past decade, the District has seen an ageing of the population, with the number of people aged 65 and over increasing by 36%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64)
- Population growth in the District is largely driven by internal migration – moves from one part of the UK to another, although there are also positive levels of natural change (births minus deaths) and international migration).
- ONS dwelling stock data indicates there were 38,800 dwellings in the District as of 2021, a net increase of 6,000 dwellings between 2011 and 2021. As with population growth, rates of change in dwelling numbers have been in excess of that seen in other areas, going back at least until 2001. Although Uttlesford has seen strong growth in the number of dwellings, the actual increase in the 2011-21 period is lower than many other areas – Uttlesford saw the 13th strongest growth of all local authorities in the East of England region and had lower growth than some other Essex authorities (Chelmsford and Colchester).
- Some 72% of all households in the District are owner-occupiers, notably higher than the national average of 62% (and higher than other benchmark areas), consequently the proportion of households living in the social rented (13%) and private rented (15%) sectors is lower than seen in other locations.
- The housing stock is dominated by detached homes, making up 42% of all dwellings (23% nationally) and related to this the stock is generally larger in nature, with around 38% having 4+ bedrooms. Again linked to this, the District sees high levels of under-occupancy, with nearly half of all households living in homes with at least two spare bedrooms. Levels of overcrowding are very low – at just 1.4% of all households.
- In the year to September 2022 the median house price in Uttlesford was £459,000. This is significantly above the median house price for comparator areas, and is 67% above the national average. Prices have also been increasing significantly, rising by 62% (£176,000) over the decade to September 2022. Over the past five years price rises have been more modest, increasing by 18%. When looking at median prices by property type, Uttlesford also typically sees higher prices for different types of property than Essex, the East of England region and England as a whole.
- As well as higher house prices, the District typically seen higher private rental cost, with the median private rent for a 2-bedroom home standing at £950 per month in the year to September 2022. Rents overall are around 31% above the national average (compared with 67% when looking at median house prices). Over the past five years rents have increased by around 14%, lower than the increase in house prices over the same period.

Area Profile: Key Messages (cont...)

- In line with national trends, affordability in the District has worsened with the workplace based median affordability ratio in Uttlesford at 13.18 in 2022 – this is based on the ratio between median house prices and full-time earnings.
- Overall, the data points to Uttlesford as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The District also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and levels of delivery above other areas.
- That said, there are clearly issues suggested by the data. The house price to income ratio is high,

pointing to potential difficulties in first-time-buyers (in particular) accessing the market – private rents are also high. At the same time, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.

3. Overall Housing Need

Introduction

- 3.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. The section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable. Where projections are discussed in this section, the analysis looks at the 2023-33 period (as this fits with the Standard Method) with data generally being shown on an annual basis that can be rolled forward for periods post 2033.

Standard Method

- 3.2 The analysis below considers the level of local housing need for Uttlesford using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

Step One: Setting the Baseline

- 3.3 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2023 to 2033. This results in growth of 4,884 households (488 per annum) over the ten-year period.
- 3.4 Although this figure is calculated over a ten-year period from 2023 to 2033, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

Step Two: Affordability Adjustment

- 3.5 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 3.6 The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Uttlesford, the ratio for 2022 was 13.18, giving an uplift of 57% - this leads to a housing need of 769 dwellings per annum.

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Step Three: The Cap

- 3.7 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
 - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 3.8 The last Uttlesford Local Plan dates back to 2005 with a housing target of around 373 dwellings per annum. A cap is therefore applied as 40% above the household growth shown above (as this is higher of the two figures). This gives a housing need of 684 dwellings per annum.

Step Four: Urban Uplift

- 3.9 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.” (Paragraph: 035 Reference ID: 2a-035-20201216). Uttlesford is not listed within the top 20 urban areas in the country and therefore there is no additional uplift.

Standard Method Calculation using 2014-based Household Projections

- 3.10 The table below works through the Standard Method calculations for the District and shows a need for 684 dwellings per annum.

Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections	
	Uttlesford
Households 2023	38,112
Households 2033	42,996
Change in households	4,884
Per annum change	488
Affordability ratio (2022)	13.18
Uplift to household growth	57%
Uncapped need (per annum)	769
Capped need (per annum)	684

Source: Derived from a range of ONS and MHCLG sources

Divergence from the Standard Method (Exceptional Circumstances)

3.11 The table above sets out housing need using the Standard Method and whilst this is a relevant consideration Planning Practice Guidance does allow for divergence from these figures (in both an upward and downward direction) where exceptional circumstances can be demonstrated. An important start point is to understand Government Guidance on this topic. This can be found in Planning Practice Guidance 2a and below are some key quotes for the purposes of this document.

“Is the use of the standard method for strategic policy making purposes mandatory?”

No, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances.” - Paragraph: 003 Reference ID: 2a-003-20190220.

“If authorities use a different method how will this be tested at examination?”

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.” - Paragraph: 015 Reference ID: 2a-015-20190220 (whole paragraph not replicated).

3.12 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method ‘does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates’. In Uttlesford, economic growth potential (increases in jobs) could put pressure on the need to provide housing delivery in excess of the Standard Method, and this is discussed later in this report.

3.13 Regarding demographic trends and projections, the guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where relevant. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. The PPG does not specifically set out examples of exceptional circumstances but it is considered that there are likely to be two main considerations:

- Firstly that demographic data on which projections are based is demonstrably wrong and cannot realistically be used for trend-based projections on which the Standard Method is based; and
- Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.

3.14 The analysis below principally focuses on population projections as these are the main driver of household growth. The analysis additionally does not seek to challenge the market signals (affordability) element of the Standard Method.

Data used in 2014-based projections

- 3.15 On the 22nd March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.
- 3.16 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Uttlesford and if updated information point to the 2014-based projections as being substantially wrong.
- 3.17 The table below shows key figures from the original and revised MYE and for the years that would have had an influence on the 2014-subnational population projections (SNPP) and subnational household projections (SNHP). ONS made no revisions to estimates of births and deaths, nor to internal migration (i.e. moves from one part of the Country to another).
- 3.18 When looking at international migration, estimates of in-migration remain unchanged, but there have been adjustments to out-migration – there were also negligible ‘other’ changes (and none for Uttlesford). For Uttlesford as a whole the original and revised estimates of migration and population size are virtually identical with the overall impact being an original estimate of population size in 2014 of 84,042 and this being revised upwards (by just 24 people or 8 per annum) to 84,066. This would not be expected to have any notable impact on the published projections and there is no exceptional circumstance relating to ONS revising its base data.

Figure 3.2: Original & Revised Components of Population Change (2011-14) – Summary (difference between original and revised MYE) - Uttlesford					
	Start Population Estimate	Inter-national Migration out	Intern-ational Migration net	Other Adjustments	End Population Estimate
2011/12	0	54	-54	0	-51
2012/13	-51	-44	44	0	-3
2013/14	-3	-27	27	0	24

Source: ONS

More Recent Demographic Trends

- 3.19 A second exceptional circumstance is that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.
- 3.20 The table below shows population figures for 2011 and 2021 from these sources – a start point of 2011 is used as it is the last consistent estimate for all three sources studied. The data shows the 2014-based

projections had projected the population of Uttlesford to reach 92,900 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (94,400). However, following publication of the 2021 Census, ONS has revised down its estimate of population in 2021 to 91,900, potentially suggesting the 2014-SNPP did over estimate population change.

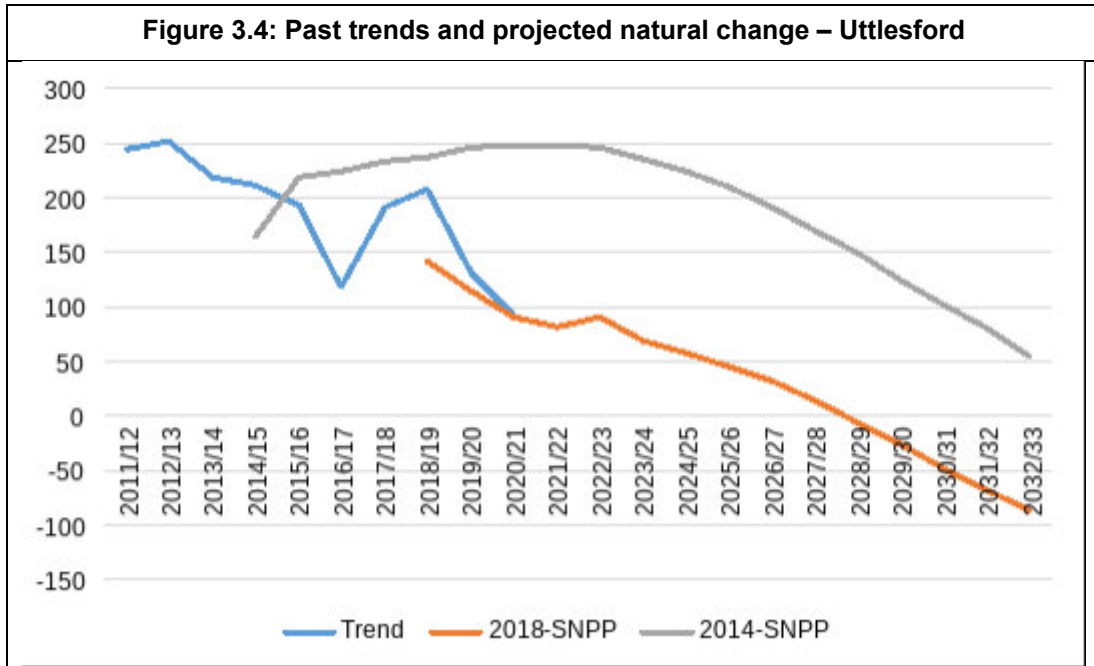
- 3.21 Overall, it is however not considered that the difference between sources, including more up-to-date information point to an exceptional circumstance such that the 2014-based projection could be rejected as not showing a realistic level of population change. Whilst the Census shows lower growth from 2011, it is the case that differences are fairly minor, and the Census (as with unadjusted MYE data) does potentially have some degree of error associated with it.

Figure 3.3: Estimated Population in 2011 and 2021 -range of sources – Uttlesford

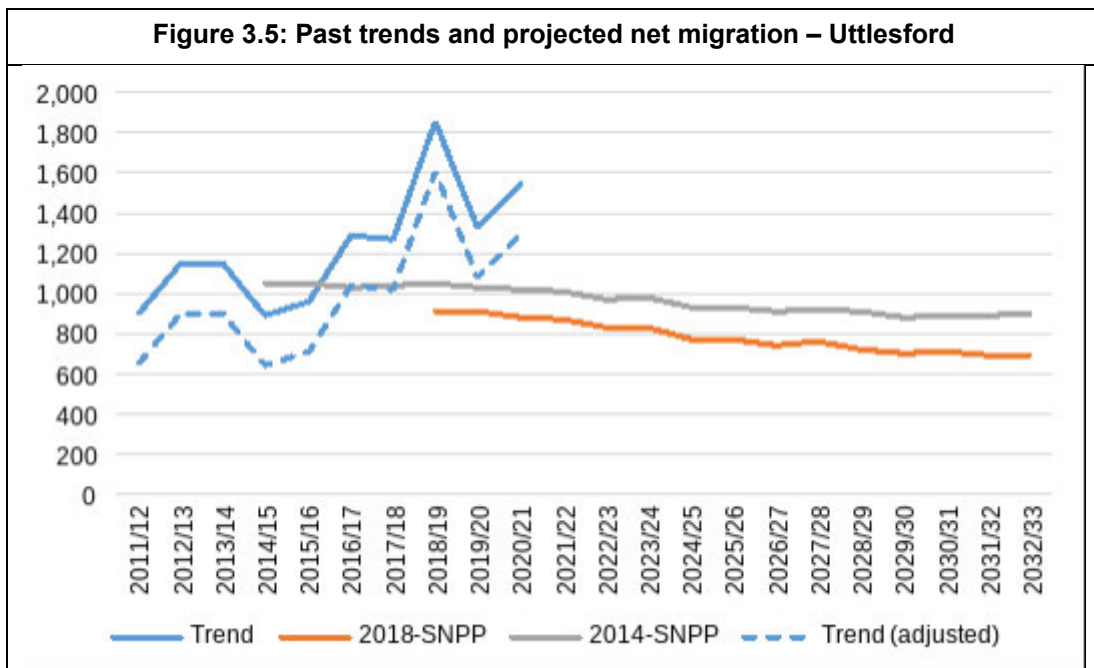
	2011	2021	Change	% change
2014-based SNPP/SNHP	80,032	92,879	12,847	16.1%
MYE (unadjusted)	80,032	94,433	14,401	18.0%
MYE (adjusted for Census)	80,032	91,948	11,916	14.9%

Source: ONS

- 3.22 It is however of interest to look at how the components of population change differ between the 2014-SNPP and more recent estimates. Given the difference between the MYE and MYE (adjusted) amounts to 2,485 people, for illustrative purposes it has been assumed that net migration in the 2011-21 was on average around 249 people per annum lower than shown in the MYE. Whilst this analysis is not being specifically used to justify exceptional circumstances it does help to understand if there have been changes in population dynamics that can be considered moving forward.
- 3.23 Two figures are provided below, the first looks at natural change (births minus deaths) and the second is for net migration. For reference, projected data from both the 2014- and 2018-based SNPP is included. The 2018-based data being included as we do briefly look at this projection later in this section (although noting that it does not form part of the Standard Method).
- 3.24 For natural change, the data shows a downward trend and this looks to have been picked up as a trend in the 2018-based SNPP. The 2014-SNPP does also show a downward trend over time but from a higher base position.
- 3.25 With net migration, the 2018-based figures again show lower levels than the 2014-based data, however projected net migration is typically lower than has been seen in past trends, although differences are less obvious if the migration trend is adjusted to take account of differences between the MYE and the MYE as adjusted for Census data.
- 3.26 Overall, whilst the 2014-SNPP seems on balance to have broadly followed actual trends, there does appear to be some shift in the components of this change, most notably a lower level of natural change in the recent past.



Source: ONS and demographic projections



Source: ONS and demographic projections

3.27 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census, this is shown in the table below. This shows two very similar figures, with household growth in the two sources only being around 140 different (14 per annum). As with the population change data this does not point to any exceptional circumstance regarding more recent trends.

	2011	2021	Change	% change
2014-based SNPP/SNHP	31,569	37,072	5,503	17.4%
Census	31,316	36,960	5,644	18.0%

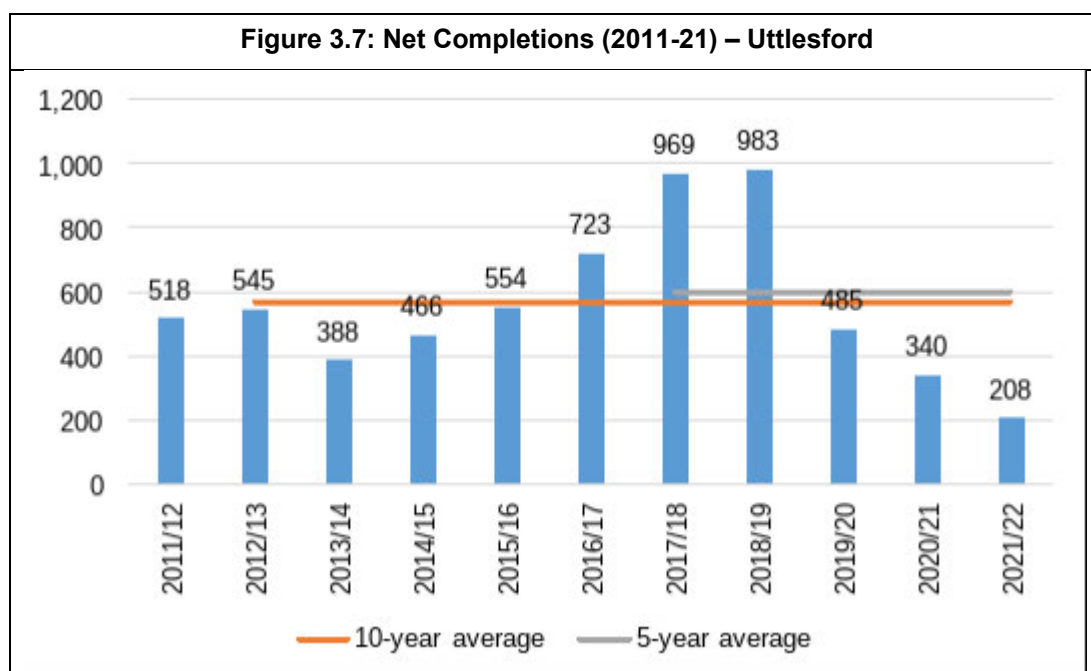
Source: ONS

Past build rates

3.28 The final consideration for a housing requirement is looking at past housing delivery. This is a key part of the PPG, which says (2a-010):

'There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method... Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests'

3.29 The figure below shows housing completions over the period from 2011 to 2022 – this shows average completions of 566 per annum over the past decade and a higher figure of 597 per annum over the past 5-years. Generally, these figures would point to a housing need of 684 per annum as being reasonable – supply has not consistently exceeded the Standard Method.



Source: DLUHC

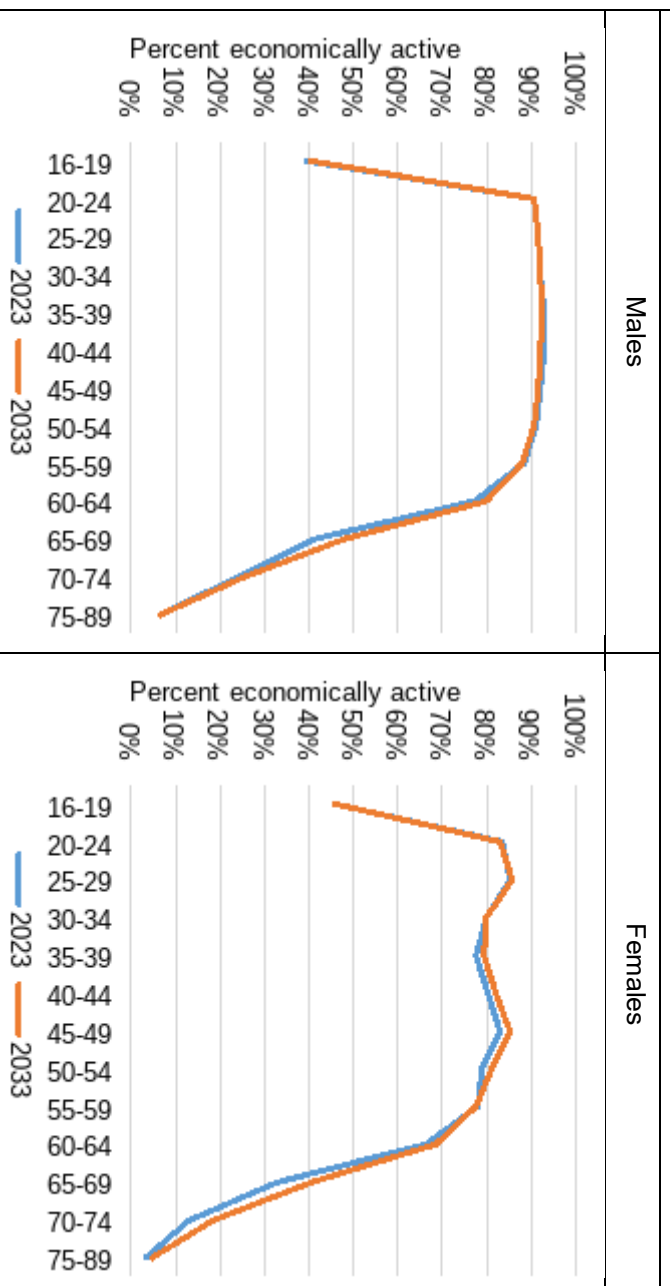
Relationship Between Housing and Economic Growth

- 3.30 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:
- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply);
 - Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
 - Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour Supply

- 3.31 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report) – this data has then been rebased to information in the 2011 Census (on age, sex and economic activity) and the 2021 (for an updated numbers of people who are economically active).
- 3.32 The figure and table below show the assumptions made for the District. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Figure 3.8: Projected changes to economic activity rates (2023 and 2033) – Uttlesford



Source: Based on OBR and Census (2011) data

Figure 3.9: Projected changes to economic activity rates (2023 and 2033) – Uttlesford

	Males			Females		
	2023	2033	Change	2023	2033	Change
16-19	39.3%	39.8%	0.5%	45.2%	45.6%	0.4%
20-24	90.7%	90.5%	-0.2%	83.3%	83.1%	-0.2%
25-29	91.5%	91.4%	-0.1%	85.4%	85.4%	0.0%
30-34	92.1%	92.1%	0.0%	79.9%	79.9%	0.0%
35-39	92.8%	92.4%	-0.4%	77.6%	79.1%	1.5%
40-44	92.9%	92.0%	-0.9%	80.2%	82.1%	1.9%
45-49	91.9%	91.4%	-0.5%	82.7%	85.3%	2.6%
50-54	91.0%	90.7%	-0.3%	78.7%	81.0%	2.3%
55-59	88.2%	87.9%	-0.3%	77.9%	77.5%	-0.3%
60-64	77.1%	79.8%	2.7%	66.2%	68.7%	2.5%
65-69	41.0%	47.9%	6.9%	32.6%	40.5%	7.9%
70-74	23.6%	25.1%	1.5%	12.8%	18.4%	5.6%
75-89	6.0%	5.9%	-0.1%	3.0%	4.3%	1.3%

Source: Based on OBR and Census (2011) data

3.33 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the District – this is set out in the table below. The analysis shows that the projection linked to the Standard Method results in growth in the economically-active population of 6,900 people – a 14% increase.

Figure 3.10: Estimated change to the economically active population (2023-33) – Uttlesford				
	Economically active (2023)	Economically active (2033)	Total change in economically active	% change
Standard Method	49,308	56,179	6,871	14.0%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

3.34 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

3.35 The table below shows summary data about commuting to and from Uttlesford from the 2011 Census. Overall, the data shows the District sees a small level of net out-commuting for work with the number of people resident in the area who are working being about 1% higher than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

Figure 3.11: Commuting patterns (2011)	
	Uttlesford
Live and work in Local Authority (LA)	13,006
Home workers	6,398
No fixed workplace	3,630
In-commute	17,652
Out-commute	18,110
Total working in LA	40,686
Total living in LA (and working)	41,144
Commuting ratio	1.011

Source: 2011 Census

- 3.36 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census. A sensitivity has also been developed where commuting for new jobs is assumed to be on a 1:1 ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

- 3.37 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) for the past 5-years suggests across the District that typically about 6.1% of workers have a second job.
- 3.38 For the purposes of this assessment it has been assumed that around 6.1% of people will have more than one job moving forward. A double jobbing figure 6.1% gives rise to a ratio of 0.939 (i.e. the number of jobs supported by the workforce will be around 6.1% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

- 3.39 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given there is likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers. Given the estimates of economic activity and job growth are taken from 2023 it is considered that there is no need to include a further adjustment to take account of the pandemic. Essentially it is assumed that people who lost employment through the pandemic will now be back in work (where they are seeking work) and so there is no latent labour supply available to fill additional jobs.

Jobs Supported by Growth in the Resident Labour Force

- 3.40 The table below shows how many additional jobs might be supported by population growth under the Standard Method projection. Given different assumptions about commuting patterns and estimates about double jobbing, it is estimated that around 7,200-7,300 additional jobs could be supported by the changes to the resident labour supply over the decade.

Figure 3.12: Jobs supported by demographic projections (2023-33)			
	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
Census commuting	6,871	7,315	7,234
1:1 commuting	6,871	7,315	7,315

Source: Derived from a range of sources

Economic Forecasts

- 3.41 The estimated growth in labour supply and jobs supported can be compared with local economic forecasts with data provided by Iceni Projects as part of work on an Employment Needs Update in September 2023.
- 3.42 This report included a baseline forecast from Cambridge Econometrics which showed an estimated job growth of 3,392 in the 2023-33 period (from 55,131 jobs up to 58,523). In addition, Iceni had run a growth scenario, which took account of locally specific opportunities for economic growth – this suggested the potential for a further 230 jobs per annum on average (the growth scenario did not contain a specific time series). On this basis, it can be estimated that jobs growth in the District could be up to 5,692 over the 2023-33 period (3,392+(230×10)).
- 3.43 This figure is below the estimated number of jobs that could be supported by population growth associated with the Standard Method and suggests there is no upside to housing numbers due to economic growth.

Developing a Projection linking to the Standard Method

- 3.44 The data above suggests the Standard Method is a reasonable number to use in estimating housing need for the District and it is worthwhile looking at how population might change if providing this level of homes. A bespoke projection has been developed, linking to provision of 684 dwellings per annum, and this projection is then used for other analysis in the report (including looking at the mix of housing).
- 3.45 A scenario has been developed which flexes migration to and from Uttlesford such that there is sufficient population for 684 additional homes each year. The modelling links to 2018-based population and household projections and also rebases population and households to the levels shown in the 2021 Census. Within the modelling, migration assumptions have been changed so that across the District the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 3.46 In developing this projection a population increase of around 14,100 people is shown, with population change shown in all broad age bands, but particularly those aged 65 and over. This 'Standard Method' projection does generally follow the trends seen in the 2011-21 period and as discussed previously.

Figure 3.13: Population change 2023 to 2033 by broad age bands – Uttlesford (linked to Standard Method)				
	2023	2033	Change in population	% change from 2022
Under 16	18,322	20,421	2,099	11.5%
16-64	57,038	62,787	5,750	10.1%
65 and over	19,690	25,922	6,232	31.7%
Total	95,050	109,131	14,081	14.8%

Source: Demographic Projections

Overall Housing Need: Key Messages

- The LHNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 684 dwellings per annum. This is based on household growth of 488 per annum and a (capped) uplift for affordability of 40%.
- The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF consultation of December 2022 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances. The consultation NPPF suggests that consideration will be given to 2021-based projections when these are published in 2024.
- Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Uttlesford, the revision were very minor and unlikely to have any notable impact on the projections.
- The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend (sources showing both higher and lower population estimates than had previously been projected and this did not point to any exceptional circumstances).
- Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable.
- Past build rates were also considered as areas with strong growth might be able to provide more homes than the Standard Method (also high delivery might point to an over-supply of housing). In Uttlesford, whilst delivery has been strong, averaging approaching 600 dwellings per annum over the past 5- and 10-years) it is again not considered that this provides any evidence to suggest a higher or lower figure than the Standard Method.
- As a final test on exceptional circumstances, the Standard Method projection was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported. Overall, it was projected the labour supply would increase by around 14% over the 2023-33 decade and that this could support around 7,200-7,300 additional jobs – this is higher than the upper end job growth estimate from economic forecasts (around 5,700 jobs) and therefore does not point to a need to plan for housing in addition to the Standard Method.
- Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Uttlesford (noting the premise of the method itself has not been challenged in this report). On that basis a bespoke demographic projection was developed to look at how the population might change if 684 homes per annum were delivered over the next 10-years. This showed continued strong population growth and an ageing of the population, although growth in the number of children and those of ‘working-age’ is also projected.

4. Affordable Housing Need

Introduction

- 4.1 This section provides an assessment of the need for affordable housing in Uttlesford. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 4.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need from households unable to buy OR rent housing and secondly from households able to rent but not buy. For convenience these analyses are labelled as a need for ‘social/affordable rented housing’ and ‘affordable home ownership’ although in reality it is possible for a home ownership product to fit into the rented category (as long as the price is sufficiently low) or for a rented product (such as rent-to-buy) to be considered as affordable home ownership.
- 4.3 The analysis also considers First Homes, which looks likely to become a new tenure (potentially replacing other forms of affordable home ownership). Further information about First Homes was set out in a Planning Practice Guidance in May 2021.

Methodology Overview

- 4.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks a need for ‘*affordable housing for rent*’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
 - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
 - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.
- 4.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

- 4.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 4.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that “*cannot afford their own homes, either to rent, or to own, where that is their aspiration*” as having an affordable housing need.
- 4.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and consider a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 4.9 The analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).
- 4.10 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 4.11 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need’. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 4.12 The analysis below considers the entry-level costs of housing to both buy and rent across the District. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.

- 4.13 Data from the Land Registry for the year to September 2022 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £165,000 for a second-hand flat and rising to £530,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £352,500. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership properties.

Figure 4.1: Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to September 2022 – Uttlesford	
	Lower quartile price
Flat/maisonette	£165,500
Terraced	£320,000
Semi-detached	£378,000
Detached	£530,000
All dwellings	£352,500

Source: Land Registry

- 4.14 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £165,000 for a 1-bedroom home, rising to £525,000 for homes with 4-bedrooms.

Figure 4.2: Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to September 2022 – Uttlesford	
	Lower quartile price
1-bedroom	£165,000
2-bedrooms	£270,000
3-bedrooms	£385,000
4-bedrooms	£525,000
All Dwellings	£352,500

Source: Land Registry and Internet Price Search

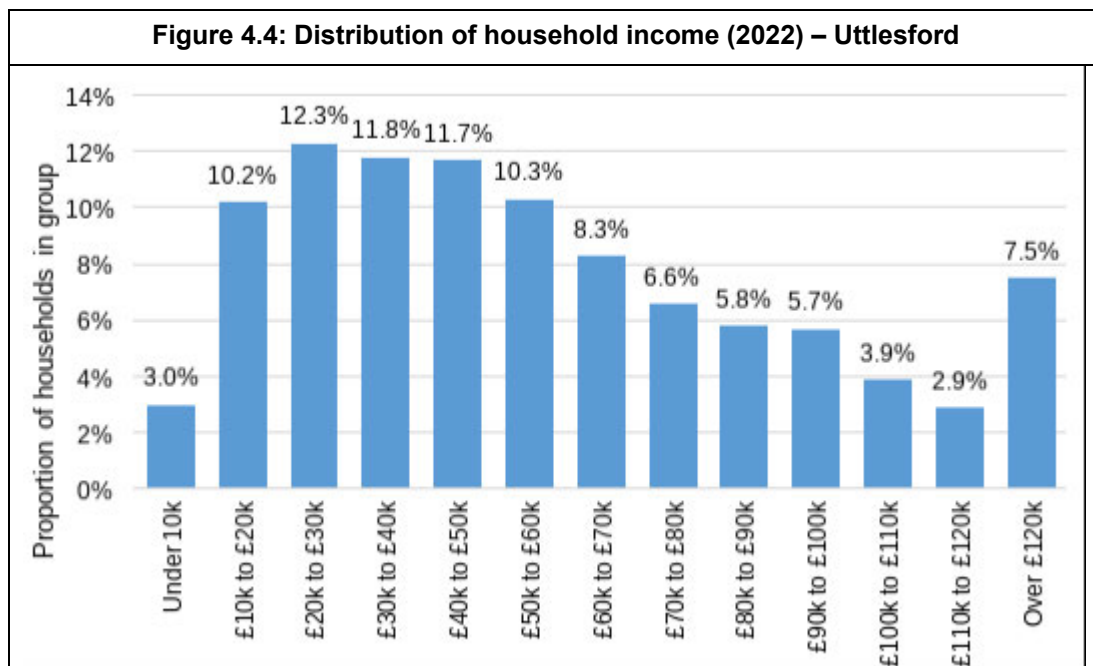
- 4.15 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2022. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £875 per month.

	Lower Quartile rent, pcm
Room only	-
Studio	£600
1-bedroom	£725
2-bedrooms	£875
3-bedrooms	£1,050
4-bedrooms	£1,300
All properties	£875

Source: ONS

Household Incomes

- 4.16 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 4.17 Drawing this data together an income distribution for the whole District has been constructed for 2022. The figure below shows that around a quarter of households have incomes below £30,000 with a further quarter in the range of £30,000 to £50,000. Overall, the average (mean) income is estimated to be around £59,000, with a median income of £50,800; the lower quartile income of all households is estimated to be £29,500.



Source: Derived from a range of data

Affordability Thresholds

- 4.18 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 4.19 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 4.20 At £875 per calendar month, lower quartile rent levels in Uttlesford are above average in comparison to those seen nationally (a lower quartile rent of £610 for England in the year to September 2022). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford an £875 pcm rent would imply a gross household income of about £35,000 (and in net terms the rent would likely be around 37% of income).
- 4.21 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 4.22 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 4.23 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 4.24 The table below shows the estimated incomes required to both buy and rent (privately). This shows a notable 'gap' across the District. The information in the table below is taken forward into further analysis in this section to look at affordable needs for different types of housing.

	To buy	To rent (privately)	Income gap
Uttlesford	£70,500	£35,000	£35,500

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

4.25 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in the District. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

4.26 In line with the PPG the current need for affordable housing is assessed through analysis of Housing Register information. As part of this project a download of the whole register was provided (as of January 2023) which has been interrogated to estimate the number of households with an affordable housing need – as of this date there were 1,273 households on the Register. The table below shows the number of households in each priority band – for the purposes of analysis it is assumed that those in Bands A to C have a housing need, this is 534 households in total.

Band	Number of households	% of households
A	72	5.7%
B	157	12.3%
C	305	24.0%
E	739	58.1%
TOTAL	1,273	100.0%

Source: Uttlesford Council

Newly-Forming Households

4.27 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

4.28 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

- 4.29 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 4.30 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 4.31 The assessment suggests overall that around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 270 newly forming households will have a need per annum on average across the District.

Figure 4.7: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)			
	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Uttlesford	684	39.5%	270

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 4.32 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS), Continuous Recording of Sales and Lettings (CoRe) and information provided by the Council.
- 4.33 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that '*Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)*'. Following the analysis through suggests a need arising from 55 existing households each year across the District.

Supply of Social/Affordable Rented Housing Through Relets

- 4.34 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 4.35 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (LAHS, CoRe and Council data) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.36 On the basis of past trend data it has been estimated that 117 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

Figure 4.8: Analysis of Past Social/Affordable Rented Housing Supply, 2019,2020 – 2021/22 (average per annum) – Uttlesford

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2019/20	406	65.5%	266	55.7%	148
2020/21	212	83.0%	176	46.2%	81
2021/22	243	89.3%	217	55.6%	121
Average	287	76.5%	220	53.3%	117

Source: CoRe

- 4.37 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Housing

- 4.38 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 261 dwellings per annum across the area. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Figure 4.9: Estimated Need for Social/Affordable Rented Housing (per annum)	
	Per annum
Current need	53
Newly forming house-holds	270
Existing house-holds falling into need	55
Total Gross Need	378
Relet Supply	117
Net Need	261

Source: Derived from a range of sources

The Relationship Between Affordable Need and Overall Housing Numbers

4.39 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes'

4.40 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.

4.41 Firstly, the modelling contains a category in the projection of '*existing households falling into need*'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains '*newly forming households*'; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.

4.42 This just leaves the '*current need*'; much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households) – these households are not included in the demographic modelling and so are arguably an additional need, although uplifts for market signals/affordability (as included in the Government's Standard Method) would be expected to deal with such households.

- 4.43 The analysis estimates an annual need for 261 rented affordable homes, which is notionally 38% of a Local Housing Need of 684 dwellings per annum (as calculated using the Standard Method). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).
- 4.44 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 192 homes per annum across the District – notionally 28% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 4.45 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as over and above any need derived through the normal process of looking at need. Indeed, only the 39 per annum (current need) is in addition to demographic projections and this scale of uplift will already have been included in figures when moving from a demographic start point to an estimate of housing need using the Standard Method.

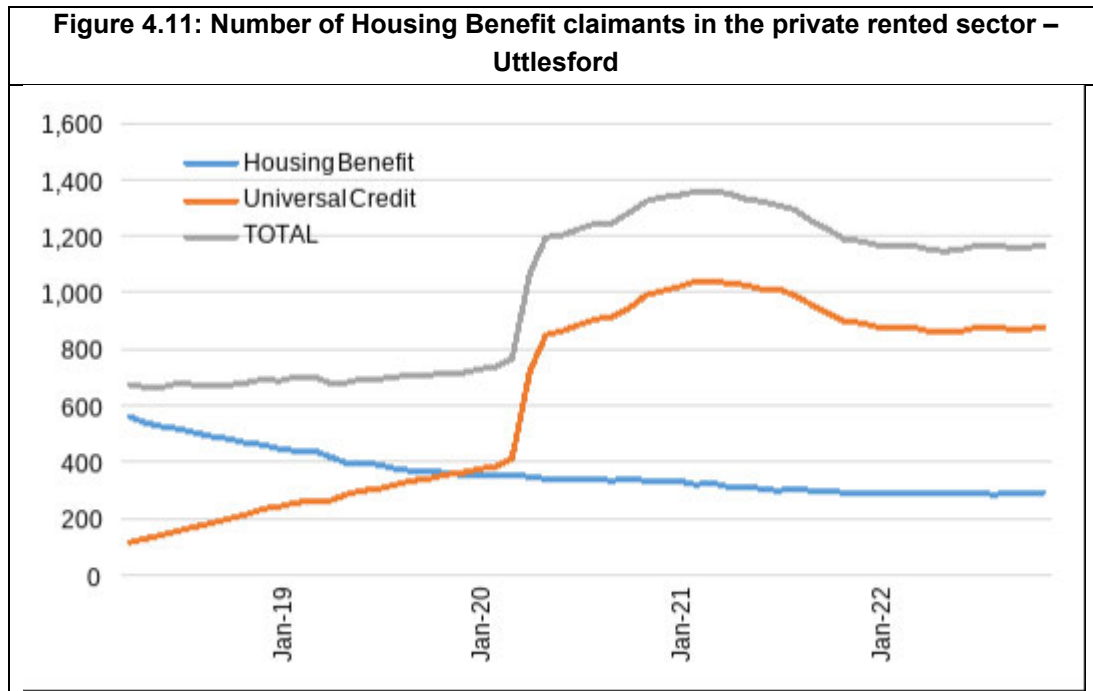
Figure 4.10: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Uttlesford		
	Including existing households	Excluding existing households
Current need	53	39
Newly forming households	270	270
Existing households falling into need	55	0
Total Gross Need	378	309
Re-let Supply	117	117
Net Need	261	192

Source: Derived from a range of sources

- 4.46 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household's income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 4.47 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed

households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

- 4.48 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.
- 4.49 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: '*Affordable housing: housing for sale or rent, for those whose needs are not met by the market*' [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 4.50 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of November 2022, it is estimated that there were around 1,170 benefit claimants in the private rented sector in Uttlesford. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 4.51 The figure below shows the trend in the number of claimants in the District. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 700 households).



Source: Department of Work and Pensions

- 4.52 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.
- 4.53 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and interpreting the affordable need figure consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 4.54 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 4.55 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations, along with an understanding of demographic trends and economic growth.

Split Between Social and Affordable Rented Housing

- 4.56 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 4.57 The table below shows current rent levels in the District for a range of products along with relevant local housing allowance (LHA) rates. Uttlesford is split across a number of Broad Rental Market Area (BRMA) for the purposes of LHA, with the main ones being Cambridge (which includes Saffron Walden) and Harlow & Stortford (which includes Great Dunmow).
- 4.58 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than both lower quartile and median market rents.
- 4.59 The LHA rates for all sizes of home are broadly in line with lower quartile market rents (depending on location) and notably below median figures. This does potentially mean that households seeking accommodation in many locations (notably those areas with higher rents) may struggle in some cases to secure sufficient benefits to cover their rent.

Figure 4.12: Comparison of rent levels for different products – Uttlesford

	1- bedroom	2- bedrooms	3- bedrooms	4- bedrooms	All
Social rent	£404	£474	£535	£622	£481
Affordable rent (AR)	£579	£717	£838	£1,052	£716
Lower quartile (LQ) market rent	£725	£875	£1,050	£1,300	£875
Median market rent	£795	£950	£1,250	£1,585	£1,050
LHA (Cambridge – Saffron Walden)	£773	£848	£947	£1,296	-
LHA (Harlow & Stortford – Great Dunmow)	£718	£898	£1,122	£1,296	-

Source: RSH, ONS and VOA

- 4.60 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the table below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes (this is the main stock size held by Affordable Housing Providers, 43% of social rented housing and 48% of affordable rents). This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) but that affordable rents (as currently charged) represent 82% of a current lower quartile rent (75% if comparing with a median rent).

Figure 4.13: Difference between rent levels for different products – Uttlesford

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Social rent as % of median market rent	Affordable rent as % of LQ market rent	Affordable rent as % of median market rent	LQ market rent as % of median market rent
1-bedroom	70%	56%	51%	80%	73%	91%
2-bedrooms	66%	54%	50%	82%	75%	92%
3-bedrooms	64%	51%	43%	80%	67%	84%
4-bedrooms	59%	48%	39%	81%	66%	82%
All	67%	55%	46%	82%	68%	83%

Source: RSH, ONS and VOA

- 4.61 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 25% of households who cannot afford to rent privately could afford an affordable rent, with a further 38% being able to afford a social rent (but not an affordable one). A total of 37% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Figure 4.14: Estimated need for affordable rented housing (% of households able to afford)	
	% of households able to afford
Afford affordable rent	25%
Afford social rent	38%
Need benefit support	37%
All unable to afford market	100%

Source: Affordability analysis

- 4.62 The finding that only 25% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 4.63 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

- 4.64 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes (and particularly socially rented housing) are likely to be required.

Establishing a Need for Affordable Home Ownership

- 4.65 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including *'households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home'*. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 4.66 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 4.67 The analysis has been developed in the context of First Homes with the Government proposing that 25% of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes (from the relevant PPG (70-001)) can be found later in this document.

Gross Need for Affordable Home Ownership

- 4.68 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the District – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 4.69 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 23% already have sufficient income to buy a lower quartile home, with 37% falling in the rent/buy 'gap'. The final 0% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 4.70 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

Figure 4.15: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing			
	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Uttlesford	23%	37%	40%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 4.71 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.72 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2021 Census there were some 5,375 households living in the sector across the District.
- 4.73 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (3,225 households if applied to Uttlesford) and of these some 40% (1,290 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.74 As noted above, on the basis of income it is estimated that around 37% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 478 affordable home ownership units (48 per annum if annualised over a 10-year period).
- 4.75 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 327 dwellings (255 from newly forming households and 72 from existing households in the private rented sector).
- 4.76 Bringing together the above analysis suggests that there is a need for around 375 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the District. This is before any assessment of the potential supply of housing is considered.

Figure 4.16: Estimated Gross Need for Affordable Home Ownership (per annum)				
	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Uttlesford	48	255	72	375

Source: Derived from a range of sources

Potential Supply of Housing to Meet the Affordable Home Ownership Need and Net Need

- 4.77 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

- 4.78 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2022 of 588 homes. If these homes were to turnover at the same rate seen for the social housing stock then they would be expected to generate around 14 resales each year. These properties would be available for these households and can be included as the potential supply.
- 4.79 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Uttlesford there were a total of 985 resales (i.e. excluding newly-built homes) in the last year (year to September 2022) and therefore around 246 would be priced below the lower quartile.
- 4.80 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile¹. Other recent data suggests that first time buyers account for around half of home purchase loans² with a total of around 65% of all homes being bought with a loan (35% as cash buyers³).
- 4.81 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer ($32.5\% \times 40\%$) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.
- 4.82 We can therefore now provide three supply estimates which can be considered in the context of the estimated need. These are:
- Only count the supply from affordable home ownership resales (14 per annum);
 - Include the supply from affordable home ownership and half of resales of lower quartile homes (137 per annum (123+14)); and
 - Include the supply from affordable home ownership and all resales of lower quartile homes (261 per annum (246+14)).
- 4.83 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 360 dwellings per annum and this reduces to 237 if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there is a more modest need for affordable home ownership shown. Overall, the analysis shows it is difficult to conclude what the need for affordable home ownership is.

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Figure 4.17: Estimated Net Need for Affordable Home Ownership (per annum)			
	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	375	375	375
LCHO supply	14	137	261
Net need	360	237	114

Source: Derived from a range of sources

Implications of the Analysis

- 4.84 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of ‘affordable home ownership’ – although there is clearly a large range depending on the assumptions made about potential supply.
- 4.85 Regardless, it does seem that there are many households in Uttlesford who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 31% from 2011 to 2021 (following a much higher increase in the 2001-11 period. Over the same period (2011-21), the number of owners with a mortgage increased by a more modest 10%. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household’s life stage (e.g. if moving locations with employment).
- 4.86 On this basis, and as previously noted, it seems likely in Uttlesford that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).
- 4.87 The NPPF (last updated in July 2021) gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 4.88 Firstly regarding the 10%, it is not clear that this is the best solution in the District. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would ‘*significantly prejudice the ability to meet the identified affordable housing needs of specific groups*’. In Uttlesford, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would ‘prejudice the ability’ to meet the needs of the ‘specific group’ requiring rented accommodation.
- 4.89 Regarding the 25% of affordable housing as First Homes, it is not clear whether there is any scope to challenge the ‘minimum of 25%’, nor what role other tenures of affordable home ownership (such as

shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.

- 4.90 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.
- 4.91 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.92 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 4.93 In addition, it should also be noted that the finding of a ‘need’ for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

- 4.94 The analysis and discussion above suggest there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Council may need to consider some additional homes on larger sites as some form of affordable home ownership (AHO).
- 4.95 The analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about Rent to Buy housing.
- 4.96 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group –

for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

Discounted Market Sales Housing (focussing on First Homes)

4.97 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes. The key parts of this guidance are set out below:
First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

4.98 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).

4.99 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Uttlesford is £875 per month;
- On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,900 per month to afford ($£875/0.3$) or £35,000 per annum; and
- With an income of £35,000, it is estimated that a household could afford to buy a home for around £175,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a 4.5 times mortgage multiple – calculated as $£35,000 \times 4.5/0.9$.

- 4.100 Therefore, £175,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Uttlesford. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.
- 4.101 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase and the relevant private rented figure (for a 2-bedroom home this is £270,000, giving a midpoint of £222,500). The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).
- 4.102 To estimate what levels of discount these prices might equate to it is necessary to estimate the likely cost of a home prior to any discount; calculating the Open Market Value (OMV). This is not straightforward as housing costs will vary depending on location and the type of scheme, however, it is the case that homes will be newbuilds and are likely to attract a newbuild premium.
- 4.103 The table below shows the lower quartile cost of existing and new homes by type from Land Registry data; to boost the sample of new homes data from the last 5-years has been used. The analysis clearly identifies that newbuild homes are more expensive than existing homes in the stock although the overall average 'premium' (of 22%) will be influenced by the profile of homes.
- 4.104 If the figures for different dwelling types are standardised on the basis of the volume of newbuild sales in different categories then it is estimated that the typical newbuild premium in the District is around 10% - this figure has therefore been used in calculations of OMV and against which a discount can be judged.

Figure 4.18: Lower quartile cost of housing to buy (existing and newly-built dwellings) – 5-years to September 2022 – Uttlesford			
	Existing dwellings	Newly-built dwellings	New-build premium
Flat/maisonette	£165,000	£256,000	55%
Terraced	£285,000	£349,000	22%
Semi-detached	£332,000	£340,000	2%
Detached	£459,000	£466,000	2%
All dwellings	£320,000	£390,000	22%

Source: Land Registry

- 4.105 The table below therefore sets out a suggested purchase price for affordable home ownership/First Homes. The tables also show an estimated OMV and the level of discount likely to be required to achieve affordability. As noted, the OMV is based on taking the estimated lower quartile price by size and adding 10%. It should be noted that the discounts are based on the OMV as estimated, in reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable. For example, if the OMV for a 2-bedroom home were to actually be £350,000 (rather than the modelled £297,000) then the discount would be up to 50%.
- 4.106 On the basis of the specific assumptions used, the analysis points to a discount of at least 30% for homes with at least 2-bedrooms. Given there is a cap of £250,000 on the purchase price (and looking at the estimated pricing below), it may be difficult for 4+-bedroom homes to be provided as First Homes. Given that a single discount figure is likely to be needed for plan making purposes it is suggested that a 30% discount is reasonable, with the expectation that most First Homes will be 2-bedroom – this is however based on the estimated OMV which could well be different on specific schemes (and which would therefore point to a different level of discount as being affordable).

Figure 4.19: Affordable home ownership prices – data for year to September 2022 – Uttlesford			
	Affordable Price	Estimated newbuild OMV	Discount required
1-bedroom	£145,000-£155,000	£181,500	15%-20%
2-bedrooms	£175,000-£222,500	£297,000	25%-41%
3-bedrooms	£210,000-£297,500	£423,500	30%-50%
4+-bedrooms	£260,000-£392,500	£577,500	32%-55%

Source: Derived from a range of sources

- 4.107 It should also be noted that the analysis above is for the whole of the local authority area; the pricing of housing does vary across the District and therefore adjustments to the figures might be appropriate in some instances. That said, affordable needs can be met anywhere in the authority (where opportunities arise) and so using an expectation of an authority-wide affordability calculation should ensure affordable products on sites regardless of location.

Key Points in Relation to First Homes

- 4.108 The paragraphs below seek to answer a series of questions in relation to First Homes. This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decision to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.
- *Is there a justification for a discount of greater than 30%, if so, what should it be?*

- 4.109 Arguably there is a case to seek a discount in excess of 30% - a higher discount will certainly make homes cheaper and therefore potentially open up additional households as being able to afford. In addition, the analysis does suggest that larger homes could potentially need a higher discount to make them affordable (with 3-bedroom homes needing at least a 41% discount to get below the £250,000 cap).
- 4.110 However, providing a higher discount may well have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market). The Council could therefore investigate higher discounts, but it is not recommended to seek figures higher than 30%, unless this can be proven to not impact on overall affordable delivery.
- *Is the maximum price of £250K after discount an appropriate maximum sales value?*
- 4.111 In Uttlesford the answer to this is certainly, yes. Uttlesford is a high price area and there is really no scope for this price cap to be lowered (it cannot be increased). As can be seen from previous analysis, a 30% price discount on a 2-bedroom home would still lead to an estimated purchase price of around £208,000 (a figure approaching the cap). A 30% discount on a 3-bedroom home is estimated to be likely to exceed the cap (at around £296,000).
- *Is the national threshold of £80,000 for household income appropriate?*
- 4.112 Given the conclusions regarding the price cap, and the fact that there is likely to be a link between prices and incomes (in terms of guidance) it seems reasonable that the upper end threshold is maintained. However, the analysis in this report assumes a household could secure a 4.5 times mortgage multiple (and a 10% deposit). Applying these figures to a £250,000 home would actually lead to an income of £50,000, however it is likely that many households with a higher income are currently unable to afford to buy a home and therefore the higher figure is reasonable. Additionally, it is unclear at this stage what size of multiple lenders might offer against a First Home.
- *What is the level of need for such products?*
- 4.113 In some ways, this is a difficult question to answer. The analysis is clear that there are likely to be a number of households whose incomes sit in the range of being able to afford to privately rent, but not being able to buy a home. It can be concluded that as long as First Homes are made available for an affordable price, it is likely there will be a strong demand (although some households in the rent/buy gap may not choose a discounted product given that the discount is held in perpetuity). Alternatively, it is possible that First Homes see demand from those who can technically afford housing in the existing market – this would not be meeting a need but would arguably provide some demand for this type of home.

- 4.114 Regardless of the need/demand, it is not recommended that the Council seek to reduce the amount of social/affordable rented homes by prioritising First Homes. The evidence does not support the Council in seeking more than 25% of affordable housing as First Homes.
- *Should the Council set local eligibility criteria?*
- 4.115 First Homes are designed to help people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. The Council can therefore prioritise key workers for First Homes, and are encouraged to do so, especially if they have an identified local need for certain professions.
- 4.116 To ensure First Homes are available to local residents and workers a local connection eligibility criteria could be used. This could be in-line with any criteria within local allocations policy and for example could require potential purchasers to demonstrate that they:
- Live in Uttlesford (for a period of time (possibly 2-years));
 - Work over 16 hours a week in Uttlesford, or
 - Have a close relative (parent, adult son or daughter or adult sibling) who has lived in Uttlesford for a period of time
- 4.117 Additional preference could be given to essential workers. Annex 2 of the NPPF also includes the needs of essential local workers *'Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers' [emphasis added]. Essential local workers are defined as 'Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'.*

Shared Ownership

- 4.118 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a 'New Model for Shared Ownership' in early 2021 (following a 2020 consultation) – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.

- 4.119 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.
- 4.120 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:
- OMV at LQ price plus 10% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
 - 10% deposit on the equity share;
 - Rent at 2.75% pa on unsold equity;
 - Repayment mortgage over 25-years at 4%;
 - Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes); and
 - It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.
- 4.121 The table below shows that to make shared ownership affordable, equity shares in the region of around 50% could work for 1-bedroom homes, with much lower figures for other sizes of accommodation (a negative figure is calculated for homes with 4+-bedrooms). It seems likely that it will be quite difficult to make shared ownership 'work' for homes with 3+-bedrooms (and indeed possibly 2-bedrooms). The Council could consider additional rented homes of these sizes where it is difficult to make homes genuinely affordable.
- 4.122 As with conclusions on First Homes, it should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

	1-bedroom	2- bedrooms	3- bedrooms	4- bedrooms
OMV	£181,500	£297,000	£423,500	£577,500
Share	47%	13%	8%	-2%
Equity Bought	£84,900	£38,300	£32,400	-£9,500
Mortgage Needed	£76,400	£34,500	£29,200	-£8,600
Monthly Cost of Mortgage	£404	£182	£154	-£45
Retained Equity	£96,600	£258,700	£391,100	£587,000
Monthly Rent on Retained Equity	£221	£593	£896	£1,345
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£725	£875	£1,050	£1,300

Source: Data based on Housing Market Cost Analysis

- 4.123 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests a 47% equity share for a 1-bedroom home, this is based on a specific set of assumptions. Were a scheme to come forward with a 47% share, but a total cost in excess of £725 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. Any policy position should seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than seeking a specific equity share.

Rent to Buy

- 4.124 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.
- 4.125 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 4.126 In order to access this tenure it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower than market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership), it should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is

split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy OR rent, the analysis suggests a need for 261 affordable homes per annum across the District.
- Despite the level of need being high in relation to the Standard Method, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home) – indeed removing households from the modelling who are already in accommodation reduces the need to 192 per annum. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Uttlesford who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- However, given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

Affordable Housing Need: Key Messages (cont...)

- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The

evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

5. Housing Mix

Introduction

5.1 This section considers the appropriate mix of housing across Uttlesford, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

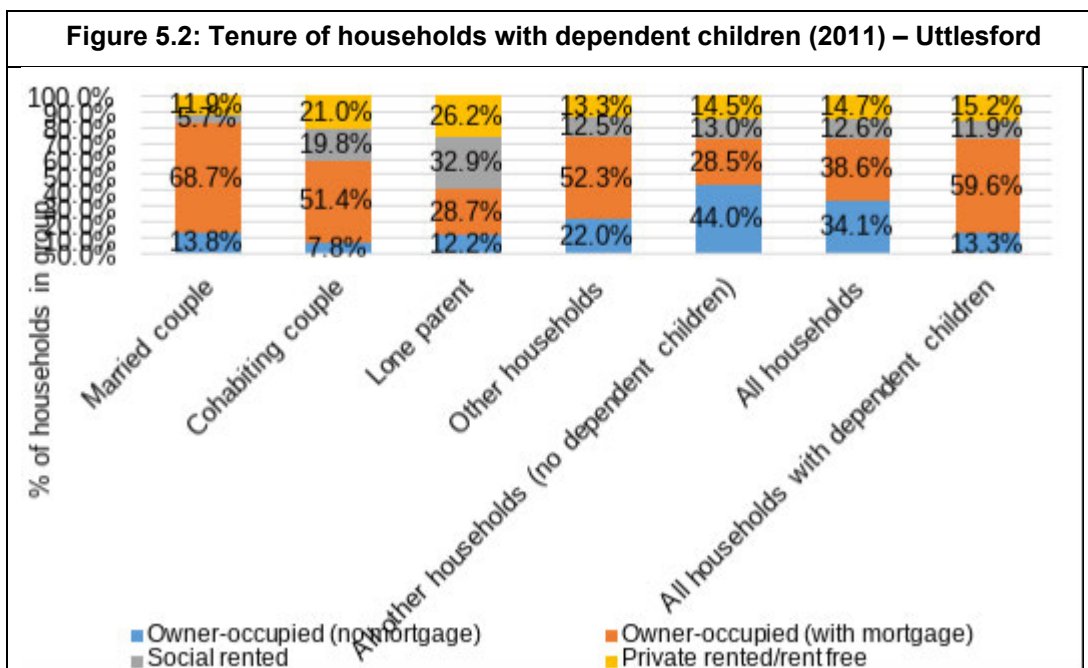
5.2 The number of families in Uttlesford (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 11,600 as of the 2021 Census, accounting for 31% of households; this proportion is slightly higher than seen in other areas and within this group a higher proportion of married couple households can be observed.

Figure 5.1: Households with dependent children (2021)

		Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Uttlesford	No.	7,158	1,786	1,948	677	25,391	36,960	11,569
	%	19.4%	4.8%	5.3%	1.8%	68.7%	100.0%	31.3%
Essex	%	15.3%	5.0%	6.4%	2.2%	71.1%	100.0%	28.9%
East region	%	14.4%	4.5%	6.9%	2.7%	71.5%	100.0%	28.5%
England	%	15.5%	4.8%	6.3%	2.4%	71.0%	100.0%	29.0%

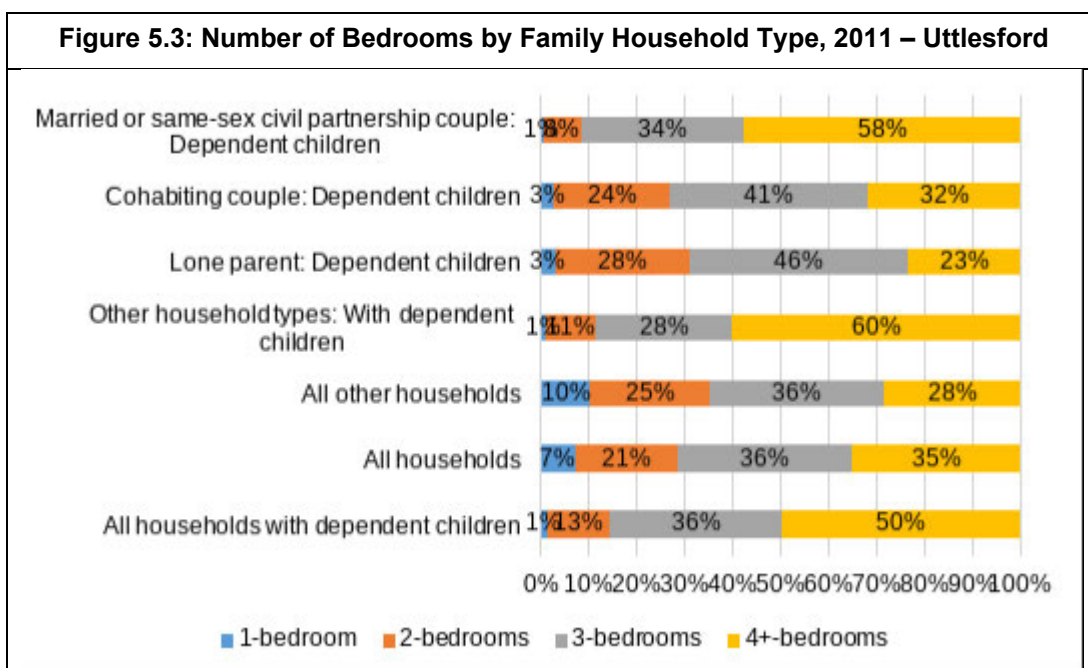
Source: Census (2021)

5.3 The figure below shows the current tenure of households with dependent children – this data being from the 2011 Census. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Uttlesford, only 41% of lone parent households are owner-occupiers compared with 82% of married couples with children.



Source: Census (2011)

5.4 The figure below shows the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the study area, the tendency is for family households to occupy 3+-bedroom housing with variation depending on the household composition. The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom homes from family households.



Source: Census (2011)

The Mix of Housing

- 5.5 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 5.6 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period to 2033 (from 2023).
- 5.7 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up 82% of the total in this tenure group, a notably higher proportion to that seen in other locations). The profile of the social rented sector is broadly similar across areas as is the private rented sector (again a slightly larger mix in Uttlesford in both sectors). Observations about the current mix feed into conclusions about future mix later in this section.

		Uttlesford	Essex	East region	England
Owner-occupied	1-bedroom	3%	4%	4%	4%
	2-bedrooms	15%	23%	22%	23%
	3-bedrooms	37%	43%	46%	48%
	4+-bedrooms	45%	30%	29%	25%
	Total	100%	100%	100%	100%
Social rented	1-bedroom	24%	32%	30%	31%
	2-bedrooms	38%	33%	33%	34%
	3-bedrooms	35%	31%	33%	31%
	4+-bedrooms	3%	4%	4%	4%
	Total	100%	100%	100%	100%
Private rented	1-bedroom	14%	21%	21%	23%
	2-bedrooms	36%	41%	38%	39%
	3-bedrooms	34%	28%	30%	28%
	4+-bedrooms	16%	10%	11%	10%
	Total	100%	100%	100%	100%

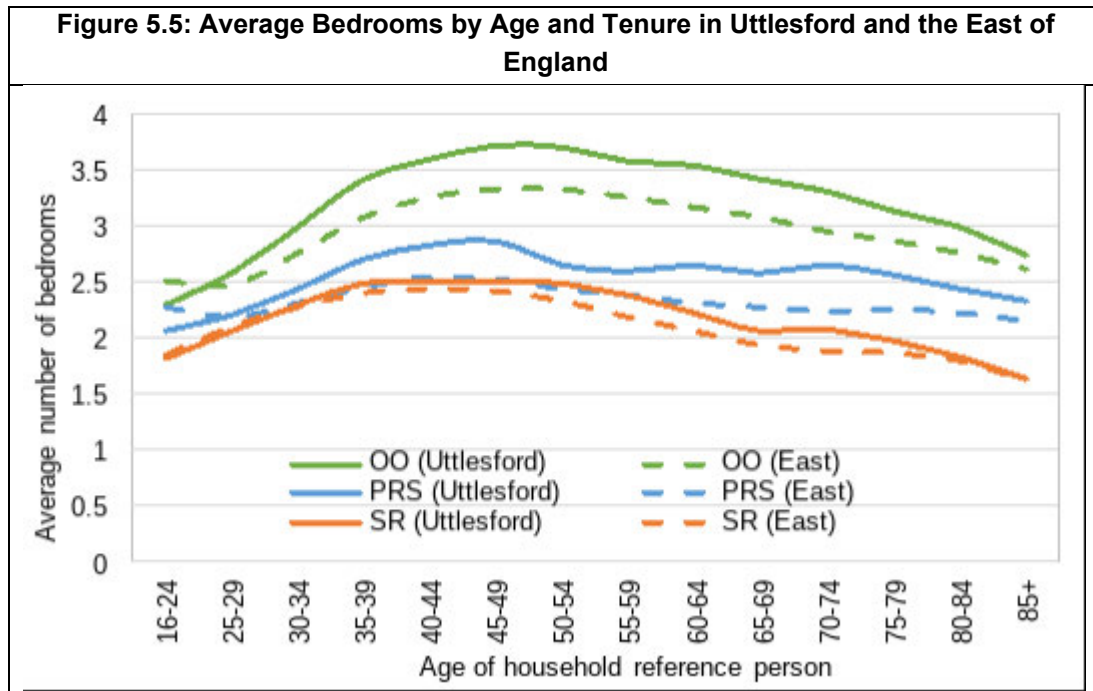
Source: Census (2011)

Overview of Methodology

- 5.8 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding How Households Occupy Homes

- 5.9 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 5.10 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 5.11 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 5.12 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 5.13 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 5.14 The figures below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Uttlesford and the East of England region. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes and an earlier peak) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies some differences between Uttlesford and the region with dwellings in Uttlesford typically being larger, although the pattern of average dwelling sizes by age of HRP are similar in both areas.



Source: Census (2011)

- 5.15 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile. On this basis a further model has been developed that applies regional occupancy assumptions for the East of England region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.
- 5.16 The analysis has been used to derive outputs for three broad categories. These are:
- **Market Housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
 - **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
 - **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

- 5.17 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in many age groups and in particular some older age groups (and also those aged 45-49). The number of households headed by someone aged 55-59 is projected to see a decline over the period studied.

Figure 5.6: Projected Change in Household by Age of HRP in Uttlesford – linking to Standard Method – 684 dwellings per annum)

	2023	2033	Change in Households	% Change
16-24	522	553	31	5.9%
25-29	1,187	1,310	123	10.4%
30-34	2,113	2,404	291	13.8%
35-39	3,006	3,143	136	4.5%
40-44	3,615	4,078	463	12.8%
45-49	3,490	4,542	1,052	30.2%
50-54	4,189	4,576	386	9.2%
55-59	4,186	3,873	-313	-7.5%
60-64	3,625	4,024	399	11.0%
65-69	2,754	3,679	925	33.6%
70-74	2,846	3,666	820	28.8%
75-79	2,988	3,084	96	3.2%
80-84	2,029	2,855	826	40.7%
85 & over	2,084	3,489	1,405	67.4%
Total	38,635	45,275	6,641	17.2%

Source: Demographic Projections

Initial Modelled Outputs

- 5.18 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 5.19 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes but around a fifth of households as requiring 3+-bedroom accommodation – it should be noted the table below excludes cases where bedroom requirement information was not available.

Figure 5.7: Size of Social/Affordable Rented Housing Needed – Housing Register Information

	Number of households	% of households
1-bedroom	640	52%
2-bedrooms	345	28%
3-bedrooms	201	16%
4+-bedrooms	43	3%
TOTAL	1,229	100%

Source: Uttlesford Council

- 5.20 The tables below show the modelled outputs of need by dwelling size in the three broad tenures. Tables are providing by linking to local and regional occupancy patterns with a further table combining the outputs from the two models.

Figure 5.8: Modelled Mix of Housing by Size and Tenure in Uttlesford (linked to local occupancy patterns)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	19%	38%	39%
Affordable home ownership	14%	36%	35%	15%
Affordable housing (rented)	30%	38%	29%	2%

Source: Housing Market Model

Figure 5.9: Modelled Mix of Housing by Size and Tenure in Uttlesford (linked to regional occupancy patterns)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	26%	46%	24%
Affordable home ownership	21%	38%	31%	10%
Affordable housing (rented)	36%	31%	30%	3%

Source: Housing Market Model

Figure 5.10: Modelled Mix of Housing by Size and Tenure in Uttlesford (combining methodologies)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	23%	42%	32%
Affordable home ownership	17%	37%	33%	13%
Affordable housing (rented)	33%	35%	30%	3%

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

- 5.21 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2011 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2011 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).
- 5.22 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2011) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).
- 5.23 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2

spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2011, there were 20,000 households with some degree of under-occupation and just 270 overcrowded households.

Figure 5.11: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Uttlesford					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	4,951	8,324	13,275
+1	0	2,684	2,522	1,574	6,780
0	618	648	867	289	2,422
-1	55	95	64	31	245
-2	11	8	3	2	24
TOTAL	684	3,435	8,407	10,220	22,746

Source: Census (2011)

- 5.24 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Figure 5.12: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Uttlesford					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	449	33	482
+1	0	878	404	42	1,324
0	858	552	445	32	1,887
-1	81	79	84	4	248
-2	9	3	8	0	20
TOTAL	948	1,512	1,389	112	3,961

Source: Census (2011)

Figure 5.13: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Uttlesford					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	859	345	1,204
+1	0	1,090	471	304	1,865
0	601	504	220	61	1,386
-1	51	49	24	7	131
-2	5	11	5	2	23
TOTAL	657	1,654	1,580	718	4,609

Source: Census (2011)

- 5.25 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-

occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy rating and a further 12.5% (i.e. an eighth) to a '0' rating. For households with one spare bedroom, 12.5% are assigned to a '0' rating (with the others remaining as '+1'). These do need to be recognised as assumptions, but can be seen to be reasonable as they do retain some degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems.

- 5.26 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	9%	35%	38%	19%
Affordable home ownership	22%	41%	27%	10%
Affordable housing (rented)	35%	37%	24%	4%

Source: Housing Market Model (with adjustments)

Indicative Targets for Different Sizes of Property by Tenure

- 5.27 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/Affordable Rented Housing

- 5.28 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).
- 5.29 As noted, the conclusions also consider the Housing Register and also take account of the current profile of housing in this sector). In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

- 1-bedroom: 35%
- 2-bedroom: 35%
- 3-bedroom: 25%
- 4+-bedroom: 5%

Affordable Home Ownership

5.30 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate (although it is recognised that analysis did not definitively show a need for this tenure of housing):

- 1-bedroom: 20%
- 2-bedroom: 45%
- 3-bedroom: 25%
- 4+-bedroom: 10%

Market Housing

5.31 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). The conclusions have also slightly boosted figures for larger (4+-bedroom) homes to provide more flexibility and to recognise the potential for a general increase in home working (and therefore households seeking an extra room/bedroom to use as office space). This sees a slightly larger recommended profile compared with other tenure groups:

- 1-bedroom: 5%
- 2-bedroom: 35%
- 3-bedroom: 40%
- 4+-bedroom: 20%

5.32 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the study area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

5.33 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which

significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

- 5.34 The analysis above has focussed on overall District-wide needs with conclusions very much at the strategic level. It should however be recognised that there will be variations in the need within areas due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to look at smaller-area needs, however, below are some points for consideration when looking at needs in any specific location:
- a) Whilst there will be differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
 - b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;
 - c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock; and
 - d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.
- 5.35 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples.
- 5.36 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement

Built-form

- 5.37 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 5.38 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 5.39 The table below shows a notable proportion of homes in Uttlesford are bungalows (10% of all flats and houses) with about half of these having 2-bedrooms, and a further 27% 3-bedrooms); a similar proportion (9%) of homes across England are bungalows.

Figure 5.15: Number of dwellings by property type and number of bedrooms (March 2020) – Uttlesford

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	420	1,780	960	390	20	3,560
Flat/Maisonette	2,090	1,970	170	50	10	4,280
Terraced house	300	2,380	3,680	770	10	7,150
Semi-detached house	100	1,610	6,120	1,380	20	9,230
Detached house	40	660	3,400	8,670	80	12,850
All flats/houses	2,950	8,400	14,330	11,260	140	37,070
Annexe	-	-	-	-	-	330
Other	-	-	-	-	-	300
Unknown	-	-	-	-	-	500
All properties	-	-	-	-	-	38,180

Source: Valuation Office Agency

- 5.40 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 5.41 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 5.42 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 5.43 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

- 5.44 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive.
- 5.45 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger 'family-sized' accommodation (with 3+-bedrooms).

Flats versus Houses

- 5.46 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 81% of all 1-bedroom homes are flats, 35% of 2-bedroom homes and just 4% of homes with 3-bedrooms.
- 5.47 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in both Uttlesford and England. This shows a relatively low proportion of flats in Uttlesford (24% of all 2-bedroom homes) and this would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

	Uttlesford	England
Owner-occupied	17%	21%
Social rented	26%	48%
Private rented	36%	50%
All (2-bedroom)	24%	35%

Source: 2011 Census

- 5.48 For completeness, the table below shows the proportion of flats in Uttlesford for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats.

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	52%	17%	0%	0%
Social rented	76%	26%	2%	7%
Private rented	64%	36%	4%	3%
All	66%	24%	1%	0%

Source: 2011 Census

- 5.49 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing.

Housing Mix: Key Messages

- Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Uttlesford is fairly high with around 31% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which in Uttlesford is notable in the market sector).
- In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 30% to have at least 3-bedrooms. Our recommended mix is set out below:

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	40%	20%
Affordable home ownership	20%	45%	25%	10%
Affordable housing (rented)	35%	35%	25%	5%

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.
- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of

development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family sized) accommodation back into family use

6. Older and Disabled People

Introduction

- 6.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Change

- 6.2 The population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Uttlesford are presented.

Current Population of Older People

- 6.3 The table below provides baseline population data about older persons in Uttlesford and compares this with other areas. The population data has been taken from 2021 mid-year population estimates (as updated to take account of Census data). The table shows that Uttlesford has a similar age structure to other areas with 20% of the population being aged 65 and over, this compares with 20% regionally and 19% nationally.

	Uttlesford	Essex	East region	England
Under 65	79.7%	79.3%	80.3%	81.5%
65-74	10.7%	10.8%	10.3%	9.8%
75-84	6.7%	7.1%	6.7%	6.2%
85+	2.8%	2.8%	2.7%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	20.3%	20.7%	19.7%	18.5%
Total 75+	9.5%	9.9%	9.4%	8.7%

Source: Census (2021)

Projected Future Change in the Population of Older People

- 6.4 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Uttlesford is projected to see a notable increase in the older person population. The projection linking to the Standard Method shows a projected increase in the population aged 65+ of around 32% - the population aged Under 65 is in contrast projected to increase by just 10%.

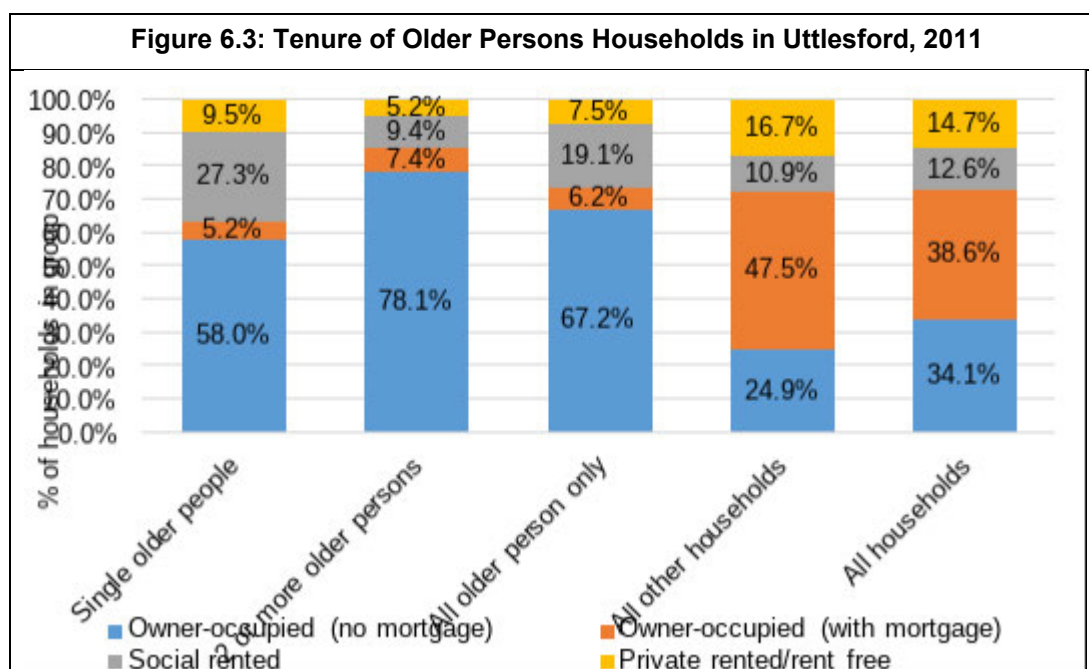
- 6.5 In total population terms, the projections show an increase in the population aged 65 and over of 6,200 people. This is against a backdrop of an overall increase of 14,100 – population growth of people aged 65 and over therefore accounts for 44% of the total projected population change.

	2023	2033	Change in population	% change
Under 65	75,360	83,209	7,849	10.4%
65-74	9,793	12,979	3,186	32.5%
75-84	7,145	8,365	1,220	17.1%
85+	2,752	4,578	1,826	66.4%
Total	95,050	109,131	14,081	14.8%
Total 65+	19,690	25,922	6,232	31.7%
Total 75+	9,897	12,943	3,046	30.8%

Source: ONS

Characteristics of Older Person Households

- 6.6 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (73% of older person households), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 19% of older persons households across the District live in the social rented sector; the proportion of older person households living in the private rented sector is relatively low (about 8%).
- 6.7 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.



Source: 2011 Census

Prevalence of Disabilities

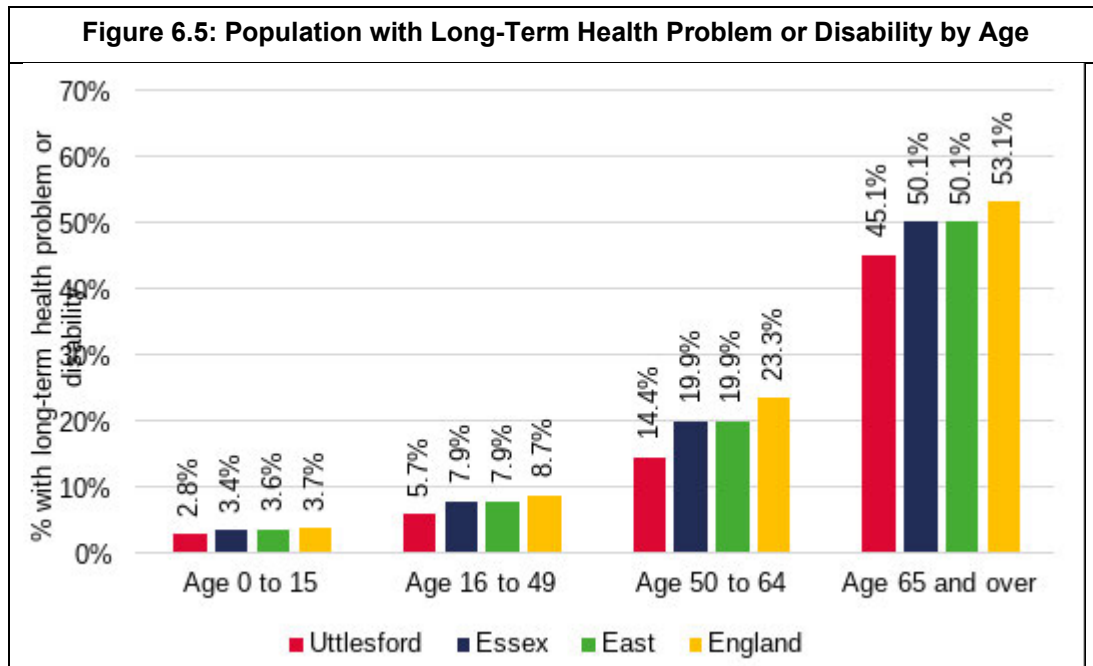
6.8 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2021 Census data. The data suggests that some 21% of people in Uttlesford contain someone with a LTHPD – this figure is lower than seen in other areas..

Figure 6.4: Population with a Long-Term Health Problem or Disability, 2011

	No.	%
Uttlesford	19,271	21.1%
Essex	357,732	23.8%
East region	1,511,580	23.9%
England	13,630,539	24.1%

Source: 2011 Census

6.9 As noted, it is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD (data from the 2011 Census). It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also typically shows lower levels of LTHPD in each age band within Uttlesford when compared with the national position.



Health Related Population Projections

- 6.10 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.
- 6.11 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.
- 6.12 Of particular note are the large increases in the number of older people with dementia (increasing by 41% from 2023 to 2033 and mobility problems (up 39% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 8% of total projected population growth.

Figure 6.6: Projected Changes to Population with a Range of Disabilities – Uttlesford (linked to Standard Method)

Disability	Age Range	2023	2033	Change	% Change
Dementia	65+	1,201	1,695	494	41.2%
Mobility problems	65+	3,103	4,299	1,196	38.6%
Autistic Spectrum Disorders	18-64	346	380	33	9.7%
	65+	158	207	48	30.5%
Learning Disabilities	15-64	916	1,009	93	10.1%
	65+	347	455	108	31.1%

Impaired mobility	16-64	2,161	2,309	148	6.8%
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Source: POPPI/PANSI and Demographic Projections

- 6.13 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 6.14 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

Need for Specialist Accommodation for Older People

- 6.15 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation
<p>Age-restricted general market housing: This type of housing 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.</p>
<p>Retirement living or sheltered housing (housing with support): This 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.</p>
<p>Extra care housing or housing-with-care (housing with care): This 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 known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.</p>
<p>Residential care homes and nursing homes (care bedspaces): These have 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.</p>

Source: Planning Practice Guidance [63-010]

- 6.16 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on

specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.

- 6.17 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.
- 6.18 Whilst there are no definitive rates, the PPG [63-004] notes that *‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)’*. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.
- 6.19 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are ‘outdated’ but also noting that the rates from 2011/12 were ‘not substantiated’. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.
- 6.20 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 6.21 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Figure 6.7: Range of suggested baseline prevalence rates from a number of tools and publications			
Type/Rate	SHOP@ (2008) ⁴	Housing in Later Life (2012) ⁵	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Range of sources as identified

6.22 In interpreting the different potential prevalence rates it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

⁴ Based on the More Choice Greater Voice publication of 2008

(H [REDACTED]). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

⁵ [REDACTED]

- 6.23 JGC have therefore sought to consider these issues and the appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care – in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.
- 6.24 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).
- 6.25 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Uttlesford, the data shows better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 15%) – these figures are based on comparing the proportion of people aged 65 and over with a LTHPD in Uttlesford (45.1%) with the equivalent figure for England (53.1%).
- 6.26 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Uttlesford is the 295th most deprived local authority in England (out of 317) – i.e. a lower than average level of deprivation – this suggests a greater proportion of market housing than a local authority in the middle of the range (for housing with support and housing with care).
- 6.27 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).
- 6.28 Overall, the analysis suggests that there will be a notable need for housing with support (particularly in the market sector) and housing with care (again mainly for market housing). The analysis also suggests a need for some additional nursing care bedspaces but a sufficient supply of residential care.

Figure 6.8: Specialist Housing Need using adjusted SHOP@Review Assumptions, 2023-33 – Uttlesford (linked to Standard Method)

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2033	Shortfall/surplus by 2033
Housing with support	Market	67	449	667	218	205	423
	Affordable	39	569	384	-185	118	-67

Total (housing with support)		106	1,018	1,050	32	323	355
Housing with care	Market	28	59	277	218	85	304
	Affordable	10	104	101	-3	31	28
Total (housing with care)		38	163	378	215	116	331
Residential care bedspaces		34	442	336	-106	103	-3
Nursing care bedspaces		38	192	378	186	116	302
Total bedspaces		72	634	714	80	220	300

Source: Derived from Demographic Projections and Housing LIN/EAC

- 6.29 It can be seen by 2033 there is an estimated need for 686 additional dwellings with support or care across the whole District. In addition, there is a need for 300 additional nursing and residential care bedspaces. Typically for bedspaces it is conventional to convert to dwellings using a standard multiplier (1.80 bedspaces per dwelling for older persons accommodation) and this would therefore equate to around 167 dwellings. In total, the older persons analysis therefore points towards a need for around 853 units over the 2023-33 period (85 per annum).
- 6.30 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 6.31 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

- 6.32 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. The Planning Practice Guidance defines extra care housing or housing with care as follows:

"This 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 known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses".

- 6.33 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation, bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.

- 6.34 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

- 6.35 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987. Use Class C2: Residential Institutions is defined as “*use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses)).*” C3 (dwelling houses) are defined as “*use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents).*”
- 6.36 Care is defined in the Use Class Order as meaning “personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care or children and medical care and treatment.”
- 6.37 Personal care has been defined in Regulations⁶ as “the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided.”
- 6.38 Government has released Planning Practice Guidance of *Housing for Older and Disabled People* in June 2019. In respect of Use Classes, Para 63-014 therein states that:
- “It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided.”*
- 6.39 The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.
- 6.40 A range of appeal decisions have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

⁶ Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010.

- Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.
- Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

NPPF Policies on Affordable Housing

- 6.41 For the purposes of developing planning policies in a new Local Plan, use class on its own need not be determinative on whether affordable housing provision could be applied. In all cases we are dealing with residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.
- 6.42 The NPPF (July 2021) sets out in paragraph 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Paragraph 63 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.
- 6.43 Paragraph 64 states that affordable housing should not be sought from residential developments that are not major developments. Paragraph 65 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.
- 6.44 The implication for Uttlesford is that:
- The ability to seek affordable housing contributions from a C2 use at the current time is influenced by how its current development plan policies were constructed and evidenced; and
 - If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.
- 6.45 Within the local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that 'extra care' housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019). It is however important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

- 6.46 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:
- Schemes typically include a significant level of communal space and on-site facilities, such that the floorspace of individual units might equate to 65% of the total floorspace, compared to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is a significant proportion of space from which value is not generated through sales (although individual units may be smaller);
 - Higher construction and fit out-costs as schemes need to achieve higher accessibility requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In many instances, developers need to employ third party building contractors are also not able to secure the same economies of scale as the larger volume housebuilders;
 - Sales rates are also typically slower for extra care schemes, not least as older residents are less likely to buy 'off plan.' The combination of this and the limited ability to phase flatted schemes to sales rates can result in higher finance costs for a development.
- 6.47 There are a number of implications arising from this. Firstly, there is a need for viability evidence to specifically test and consider what level of affordable housing could be applied to different forms of older persons accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a differential and lower affordable housing policy is justified for housing with care.
- 6.48 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this is to allocate sites specifically for specialist older persons housing, and this may be something that the Council wishes to consider through the preparation of a new Local Plan. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out.

Practical Issues

- 6.49 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development schemes is currently focused particularly on providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.
- 6.50 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Wheelchair User Housing

- 6.51 The analysis below draws on a range of secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) which provides a range of relevant data, but often for different time periods. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.
- 6.52 The analysis below sets out estimates of the number of wheelchair users in the District; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data. At the time, the EHS showed there were 184,000 households with a wheelchair user (in England) and the oldest person in the household was aged under 60; the 2011 Census showed a household population of around 40.6 million people aged under 60 and therefore a base prevalence rate of 0.005 has been calculated for this group – essentially for every 1,000 people aged under 60 there are around 5 wheelchair user households. The table below shows data for a full range of age groups; it should be noted that whilst the prevalence rates mix households and population they will provide a reasonable estimate of the number of wheelchair user households.

Figure 6.9: Baseline prevalence rates by age used to estimate wheelchair user households – England			
	Number of wheelchair user households	Household population	Prevalence (per 1,000 population)
Under 60 years	184,000	40,562,000	5
60-74 years	205,000	7,668,000	27
75-84 years	191,000	2,832,000	68
85 years or over	146,000	997,000	146

Source: Derived from EHS (2011-12) and 2011 Census

- 6.53 The analysis also considers the relative health of the population of Uttlesford. For this, data has been taken from the 2011 Census for the household population with 'day to day activities limited a lot' by their disability. The table below shows this information by age in Uttlesford and England, and also shows the adjustment made to reflect differences in health between the areas. Due to the age bands used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows lower levels of disability for all age groups other than 85+ in Uttlesford, pointing to a slightly lower than average proportion of wheelchair user households in most ages.

Figure 6.10: Proportion of people with day to day activities limited a lot (by age) – 2011 – Uttlesford			
	% of age group with day to day activities limited a lot		Prevalence rate (per 1,000 population)
	Uttlesford	England	

Under 60 years	2.4%	4.2%	57.4%	3
60-74 years	7.1%	13.9%	51.3%	14
75-84 years	21.7%	29.1%	74.7%	50
85 years or over	53.5%	52.3%	102.3%	150

Source: 2011 Census

- 6.54 The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. The data estimates a total of 1,097 wheelchair user households in 2023, and that this will rise to 1,465 by 2033.

Figure 6.11: Estimated number of wheelchair user households (2023-33) – Uttlesford – linked to Standard method					
	Prevalence rate (per 1,000 population)	Household population 2023	Household population 2033	Wheelchair user households (2023)	Wheelchair user households (2033)
Under 60 years	3	68,342	75,430	178	196
60-74 years	14	16,066	20,012	220	274
75-84 years	50	6,993	8,175	353	413
85 years or over	150	2,312	3,889	346	582
TOTAL		93,713	107,506	1,097	1,465

Source: Derived from a range of sources

- 6.55 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'viable' – this is around 25% of wheelchair user households. Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for around 640 additional wheelchair user homes in the 2023-33 period – this equates to 9% of all housing need (as set out in the table below). The projected part of the need equates to 5% of the Standard Method.

Figure 6.12: Estimated need for wheelchair user homes, 2023-33					
	Current need	Projected need (2023-33)	Total current and future need	Housing need (2023-33)	% of Housing Need
Inc. current need	269	368	638	6,840	9.3%
Ex. current need	-	368	368	6,840	5.4%

Source: Derived from a range of sources

- 6.56 Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users, compared with 2.7% of market households (owner-occupiers and private renters). These proportions can be expected to increase with an ageing population and applying the national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in

the table below. This shows a need for around 7% of market homes to be M4(3) along with 19% of affordable.

Figure 6.13: Estimated need for wheelchair user homes by tenure, 2023-33		
	Market	Affordable
Inc. current need	7%	19%
Ex. current need	4%	11%

Source: Derived from demographic projections and EHS prevalence rates

- 6.57 To meet the identified need, the Council could seek a proportion (maybe up to a tenth) of all new market homes to be M4(3) compliant and potentially a fifth in the affordable sector. These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.
- 6.58 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 6.59 It is worth noting that the Government has recently reported on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds⁷.
- 6.60 The key outcome is: *'Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes'*. This change is due to shortly be implemented through a change to building regulations.
- 6.61 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating *'M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand'*.
- 6.62 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 8-year old.

Figure 6.14: Access Cost Summary					
	1-Bed	2-Bed	2-Bed	3-Bed	4-Bed

⁷ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

	Apartment	Apartment	Terrace	Semi Detached	Semi-Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

- 6.63 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.
- 6.64 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Older and Disabled People: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards)
- The data shows that Uttlesford has a very slightly older age structure and notably lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (67% of all older person households are outright owners).
- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2023-33 period include:
 - a 32% increase in the population aged 65+ (potentially accounting for 44% of total population growth);
 - a 41% increase in the number of people aged 65+ with dementia and a 39% increase in those aged 65+ with mobility problems;
 - a need for around 355 housing units with support (sheltered/retirement housing) – all within the market sector;
 - a need for around 330 additional housing units with care (e.g. extra-care) – the majority (around 90%) in the market sector;
 - a need for additional nursing care bedspaces (around 300 in the period); and
 - a need for around 370-640 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 10% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a fifth in the

affordable sector).

- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

7. Self- and Custom Build Housing

Introduction

- 7.1 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
- 7.2 According to the Right to Build Taskforce Self-build involves the occupier of a new home taking responsibility for the design, construction and funding of the home on a single building plot. Self-builders are in control of their development timeline and are not bound by any requirement to act in a given way to satisfy the needs of a developer, contractor, landowner or specialist enabler, with the exception of any statutory requirements imposed by a mortgage lender, insurer or local planning authority.
- 7.3 Custom build involves the development of a multi-plot site and involves the occupier of a new home commissioning or building their new custom home through a range of housing delivery models facilitated and/or supported by a landowner, developer, contractor, or enabler. Custom builders commit to delivering their new home as part of a pre-defined process when they agree to purchase a serviced plot of land, including taking the responsibility to construct their home themselves.

Local Evidence

- 7.4 The Uttlesford Self-Build and Custom Housebuilding Register was introduced in April 2016 and there have now been six and a half full base periods⁸ up to 30th October 2022.
- 7.5 The Council is required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended). The council introduced a local connection test in December 2020, this separates the register into 2 parts with those who do not meet the local connection criteria entered into Part 2 of the register. Statutorily, the 2015 Act only requires the council to permit the number of plots indicated as needed by those on Part 1 of the register. However, any need from entrants who do not meet local connection criteria must be considered within the decision making process.
- 7.6 The data to follow has been taken from the Council's Self-build and Custom Housebuilding: Progress Report of December 2022⁹ - this report contains a range of statistics about the demand for and supply of self-build plots.
- 7.7 If assessed over the six and half base periods, there has been a total of 198 registered expressions of interest in a serviced plot of land in Uttlesford of which 78 are in Part 1 of the register (an average of 12

⁸ A base period is a period of typically 12 months in which demand for custom and self-build is recorded. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30th October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31st October to 30th October each year.

⁹ <https://www.uttlesford.gov.uk/article/5314/Self-build-and-custom-housebuilding-progress-reports>

per annum). All bar one of the entries on the register are from individuals (with 1 group joining in the second base period).

Base Period	Part 1	Part 2	Total
Base Period 1 (1 st April 2016 to 30 th October 2016)	12	18	30
Base Period 2 (31 st October 2016 to 30 th October 2017)	26	46	72
Base Period 3 (31 st October 2017 to 30 th October 2018)	14	30	44
Base Period 4 (31 st October 2018 to 30 th October 2019)	12	10	32
Base Period 5 (31 st October 2019 to 30 th October 2020)	3	2	5
Base Period 6 (31 st October 2020 to 30 th October 2021)	8	2	10
Base Period 7 (31 st October 2021 to 30 th October 2022)	3	2	5
Total	78	110	198
Average (per annum)	12	17	30

Source: Uttlesford District Council

- 7.8 The table below shows the availability of suitable serviced plots – this is split between those where self- or custom build is specifically in the application description and other single dwelling plot permissions. The data points to a significant number of permissions and suggests the Council has permitted sufficient suitable plots to meet the demand identified on the register.

Base Period	Self- or custom build in application description	Single plot dwelling permissions	Total
Base Period 1	1	57	58
Base Period 2	29	187	216
Base Period 3	5	151	156
Base Period 4	9	151	160
Base Period 5	3	51	54
Base Period 6	1	121	122
Base Period 7	1	101	102
Total	49	819	868
Average (per annum)	8	126	134

Source: Uttlesford District Council

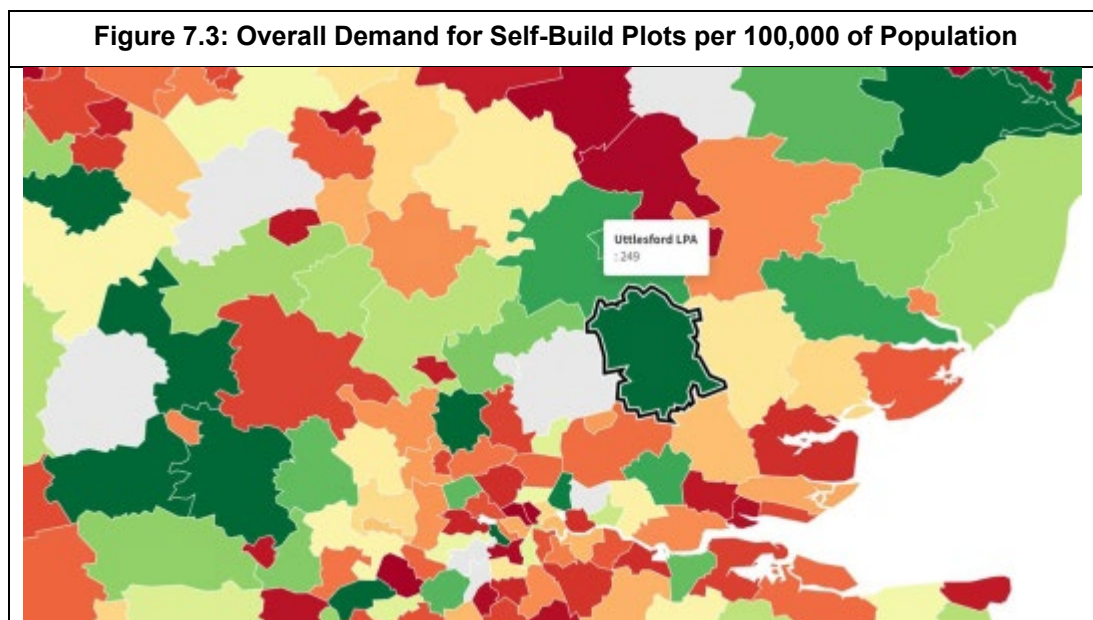
- 7.9 It is worth highlighting that a survey¹⁰ undertaken by YouGov on behalf of the National Custom and Self-Build Association (“NaCSBA”) in October 2020 found that awareness of the Right to Build legislation is low with 83% of people unaware that the local authority self-build registers exist. As a result, the number of individuals on a local authority’s self-build register may underestimate demand.
- 7.10 The Council’s evidence also provides an indication of the location and sizes of homes sought by those on the register. Generally, locational preferences are for more rural areas, although there are demands

¹⁰ A survey of 2,017 adults with fieldwork undertaken online between 9th – 11th October 2020. The figures are weighted and are representative of all GB adults aged 18+

across the District (including the main settlements of Saffron Walden and Great Dunmow). In terms of the size of home, it is clear that those registered are seeking larger properties, with 57% preferring a home with at least 4-bedrooms and most of the rest for 3-bedrooms.

Broader Demand Evidence

- 7.11 In order to supplement the data from the Council’s own register, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA – the national association for the custom and self-build housing sector.
- 7.12 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested. Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.
- 7.13 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Uttlesford in relative terms. The association has published analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020. This includes an output on the demand for serviced plots as a proportion of total population relative to all other local authorities across England.
- 7.14 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows a need for 249 units per 100,000 head of population in Uttlesford – this is a high figure and points to relatively strong demand for self-build in the District.



Source: NaCSBA “Mapping the Right to Build,” 2020

Policy Response

- 7.15 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector. The PPG¹¹ is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are a number of measures which can be used to do this, including but not limited to:
- Supporting Neighbourhood Planning groups where they choose to include self-build and custom build housing policies in their plans;
 - Working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing; and
 - When engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested;
 - Working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.
- 7.16 Currently the Council does not have a policy that specifically refers to self and custom build. However, though there is no reference to self and custom building within the supporting text, Policy H3 – New Homes within Development supports the principle to develop Self-Build plots as windfall sites, within the defined development boundaries and on land allocated to housing.
- 7.17 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies in respective Local Plans to encourage delivery, promote and boost housing supply. There are also a number of appeal decisions in the context of decision-taking which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application.
- 7.18 As a general principle, the Council should support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies. As such, the Council should consider the inclusion of a specific self and custom build housing policy within the Local Plan in order to satisfy the clear demand for plots within the District.
- 7.19 The Council may also wish to consider allocating sites specifically for this use and the Council should consider any sites which do arise for this purpose.
- 7.20 An appeal decision¹² in Windsor and Maidenhead demonstrates the importance of delivering custom and self-build homes. This appeal allowed for the delivery of four custom and self-build homes in the Green Belt on the basis that “very considerable weight” was placed on the Borough not meeting its custom and self-build need.
- 7.21 The Council may also wish to consider an application to “Brownfield Land Release Fund” which includes specific funding to release brownfield sites for self and custom build housing. Not only is this important to provide additional homes but to ensure that the SME construction industry is supported.

¹¹ Paragraph: 025 Reference ID: 57-025-20210508

¹² Appeal A Ref: APP/T0355/W/22/3309281

Self- and Custom Build Housing: Key Messages

- As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
- The Uttlesford Local Plan (January 2005) was adopted before the Uttlesford Self and Custom Build register was set up. Therefore, there are no policies that specifically refer to self and custom build. However, though there is no reference to self and custom building within the supporting text, Policy H3 – New Homes within Development supports the principle to develop Self-Build plots as windfall sites, within the defined development boundaries and on land allocated to housing.
- Data from the Council suggests that the demand has successfully been met with enough suitable permissions before the relevant deadlines. On that basis, it is suggested the Council continues with their current approach to custom- and self-build housing although consideration should be given to including a specific policy on this topic within the next Local Plan.