Shouldham

Housing Needs Assessment (HNA)

April 2024

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Quality information

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Revision History

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1. First Draft	March 2024	Paul Avery	Principal Consultant
2. Internal Review	March 2024	Kerry Parr	Associate Director
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5. Final Report	April 2024	Paul Avery	Principal Consultant

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List of acronyms used in the text:

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

1. Executive Summary

1. Shouldham is a Neighbourhood Area (NA) located in the Borough of King's Lynn & West Norfolk in the East of England. The NA boundary covers the areas administered by Shouldham Parish Council.
2. The 2021 Census recorded 652 individuals in Shouldham, indicating an increase of around 47 people since the 2011 Census. There has been a moderate level of development in the parish over the past decade, totalling around 19 new homes (net of any demolitions or other changes) or an 8% increase. A further 11 dwellings are in the pipeline on allocated sites with outline planning permission.
3. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Steering Group at the outset of the research. Detailed findings and data sources for each chapter summary are provided in the main body of the report.
4. Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data comparing numerous variables at parish scale is yet to be released. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

Conclusions- Tenure and Affordability

Current tenure profile

5. According to the 2021 Census, home ownership is the predominant tenure in Shouldham, representing a notably higher share of the total (87%) than the wider Borough (67%) and national average (61%). The prevalence of home ownership comes at the expense of private renting and, especially, social renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes seeking to move to or remain in the parish.
6. Since the 2011 Census, Shouldham has lost half of its stock of social rented housing, most likely due to the right to buy scheme, but has gained 2 shared ownership homes. The vast majority of new homes built in recent years appear to be in owner occupation.

Housing costs

7. Home values in the NA have followed a general upward trajectory over the past decade despite some year-on-year fluctuations. The current median house price (middle number when arranged from lowest to highest) is £290,000, which is 79% higher than the 2014 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £232,500. This is relatively close to the median, indicating that the range of price points in Shouldham is narrow and, consequently, people may struggle to find truly affordable entry-level

properties. (Note that this report uses 2022 prices as the best representation of current average home values because the 2023 data is based on an anomalously small, and unusually expensive, sample).

8. It is also worth noting that the current median house price in Shouldham is 9% higher than the current median for King's Lynn & West Norfolk as a whole. Although Shouldham is dominated by detached and larger (4+ bedroom) homes and, correspondingly, Borough averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in its more urban locations, it remains likely that Shouldham is a high-value housing market for the local area.

9. AECOM has estimated the annual income required to afford various tenures of housing in Shouldham – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £50,100 in 2020 and the lower quartile household income for King's Lynn & West Norfolk was £17,811 in 2023.

10. It was found that local households on average incomes are unable to access even entry-level homes for purchase on the open market unless they have the advantage of a very large deposit. The median house price would require an annual income nearly 50% above the current average. Private renting is more affordable, but is generally only accessible to average earning households – and even then only for dwellings with 2-3 bedrooms. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are regularly available to make this a reliable option for local households.

11. Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Shouldham there is a relatively large gap between the income needed to afford to rent (£44,000) and to buy (£60,000), who may benefit from these products.

12. The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Shouldham the minimum 30% discount appears sufficiently affordable to average earning households. Although higher discounts would widen access to a larger group of households, it would take a discount of 50% for dual lower earning households to afford a First Home. First-time buyers in the former group are the more realistic target market for First Homes, so this analysis suggests that there is limited need to exceed the minimum default discount level of 30% in Shouldham.

13. It should be emphasised that there is relatively little chance of First Homes or any other form of subsidised Affordable Housing coming forward in Shouldham in the near future due to low expected delivery overall and the small size of available sites. In the absence of such options, efforts on the part of developers to deliver lower cost market housing would meet an identified need among the local population.

14. The evidence in this chapter indicates a clear divide in housing affordability in Shouldham, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to a wide range of

alternative options (such as private renting and affordable routes to ownership – where they exist), and lower earners able to access very little other than affordable rented housing and low equity shared ownership. Due to the lack of affordable and social rented homes at present there are, however, unlikely to be many such households in Shouldham.

Conclusions- Type and Size

The current housing mix

15. The current dwelling mix in Shouldham is weighted in favour of larger and less dense home types. Specifically, nearly two thirds of all homes are detached houses (compared to under half across King's Lynn & West Norfolk and under a quarter across England). The proportion of bungalows, at 30%, is slightly higher than the Borough and significantly higher than the national average. This characteristic of the housing stock is likely to be linked to the parish's older age profile.

16. The proportion of 4+ bedroom homes in Shouldham is also notably higher than that of the Borough and there is a relative lack of 1 bedroom properties (though this is not unusual for a rural village). The majority of new homes built since 2011 have been detached homes with 4 or more bedrooms, thereby exaggerating the parish's existing imbalances. However, a valuable injection of mid-sized properties has also been provided in recent years. Alongside growth in other size and type categories, this appears to have supported the robust growth in the younger population (see below).

17. In summary, Shouldham is characterised by detached and larger homes, which tend to be more expensive and not well-suited to key segments of the population – notably single people, younger families and downsizing older people – although some variety does exist and new development improved housing choice to some extent.

Population characteristics

18. The NA population, which is markedly older than that of the Borough and England, has experienced a modest degree of ageing in the decade since 2011. The 65-84 and 85+ age groups have expanded by 14% and 13% respectively, while other age groups have grown at slightly lower rates. It is notable that the numbers of children and people aged 25-44 have experienced robust growth, indicating the ability of Shouldham to attract a replacement population of young families, which may be linked to the recent provision of some family-sized and potentially more affordable housing units. These shifts point to future needs across a range of age groups, with a clear opportunity to further attract young families as well as an imperative to accommodate the growing population of older people – who may be seeking to downsize or experiencing changing mobility and support needs.

19. Applying ONS household projections for King's Lynn & West Norfolk to the Shouldham population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group expanding by 44%

to become the largest single group (at over 50% of the total) while most other age bands contract. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. This level of ageing may well be accurate given the large current 65-84 population (which is also larger than the King's Lynn & West Norfolk average upon which these projections are based). However, Shouldham's healthy family population may afford protection against the potential contraction in the number of children that this model implies.

20. Shouldham has a slightly higher proportion of single-person households than the wider Borough and country, which appears to be driven by the NA's much higher share of single-person households aged over 66. Of the Parish's family households, more have children than do not – though this is the case to a lesser extent than is seen at wider averages. This data confirms the presence of a number of families and children alongside a gradually expanding older population.

21. As of the 2021 Census, around 9 in 10 households in the NA had at least one more bedroom than they would be expected to need, and just under half had at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among couples with no children and older households. While not uncommon, this might suggest that Shouldham's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties. This may point to an unmet need for homes suitable for downsizing.

Future population and size needs

22. It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (with 1-3 bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably ageing and the modest growth in younger families), and diversification away from the high proportion of 4+ bedroom homes in the current stock. This finding also generally aligns with the community preferences expressed in a 2023 consultation event, which include support for smaller homes and limited appetite for larger ones.

23. The model recommends a particularly high proportion of 3 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages and tend to be popular among all age groups. It also recommends a large share of 1 bedroom homes. The present lack of homes in this size category may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1 bedroom category as the HNA model suggests. If are not considered a welcome proposition in the parish (for instance, if they are unable to be delivered in the form of maisonettes well-integrated with local design and character), the suggested proportions of 1 and 2

bedroom homes could be blended into a combined 1-2 bedroom (or even 1-3 bedroom) category, allowing for greater flexibility to provide fewer 1 bedroom homes than the model recommends.

24. The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount in line with the recommendations for King's Lynn & West Norfolk as a whole in the 2020 HNA.

25. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

2. Context

Local context

26. Shouldham is a civil parish and designated Neighbourhood Area (NA) located in the Borough of King's Lynn & West Norfolk in the East of England.

27. The parish is located around 10 miles south of King's Lynn, the Borough's principal settlement, and around 6 miles northeast of Downham Market, classified as a main town. Shouldham itself is designated as a Rural Village by King's Lynn & West Norfolk (KLWN) Borough Council, meaning that it is considered to have an adequate range of services and facilities. These include a school, post office, small businesses and a bus route running between Mareham and King's Lynn (though not one running to Downham Market).

28. The village is situated in a valley of the Norfolk Hills, which (together with associated drainage issues) represent a physical constraint on development. The built environment has a distinct historic character, some of which is protected by a Conservation Area, although pockets of newer housing also exist.

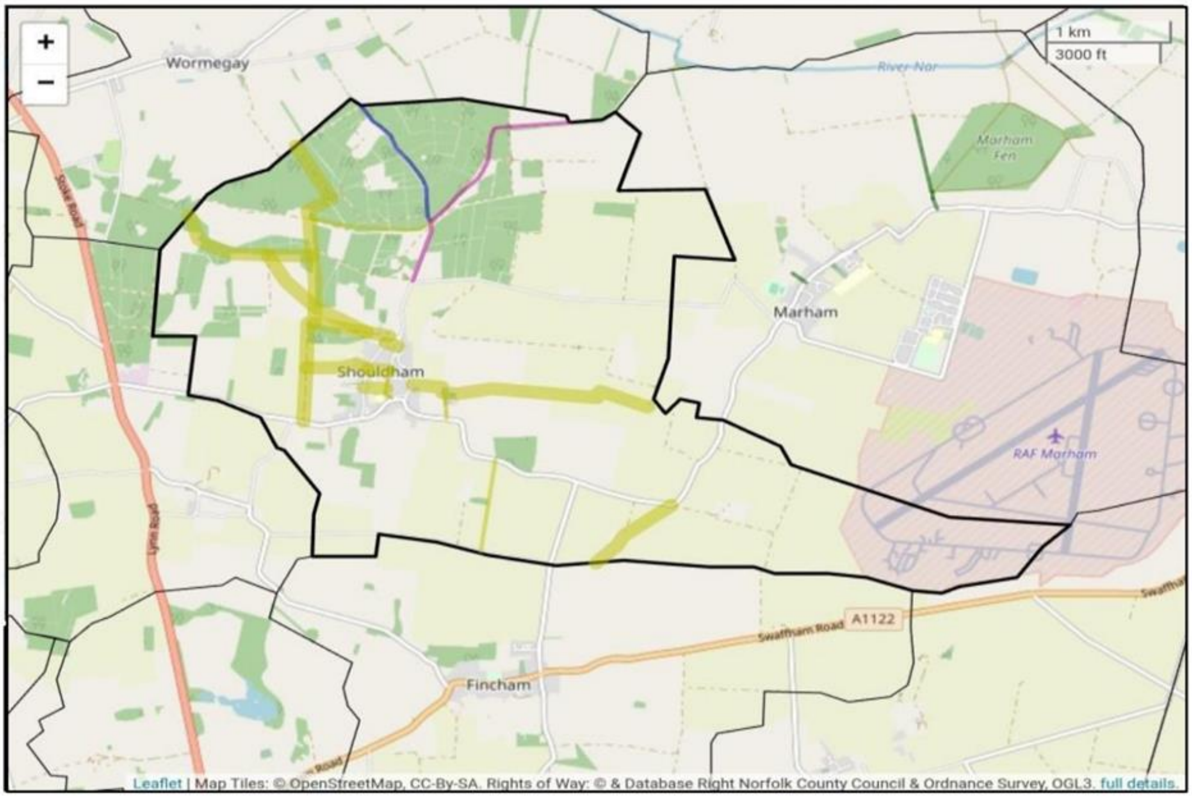
29. The Shouldham Neighbourhood Plan is currently envisaged to look ahead to 2036 in line with the end date of the emerging King's Lynn & West Norfolk Local Plan Review. If adopted in 2025, the Neighbourhood Plan will cover a period of 11 years. The evidence supplied in this report will likewise look ahead to 2036 when considering the future needs of the population.

The NA boundary and key statistics

30. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The Shouldham parish and NA boundary is composed of two OAs. Detail on the flexibilities relating to data sources beyond the Census is provided in Appendix A. A map of the Plan area appears overleaf in Figure 2-1.

31. At the time of the 2021 Census the NA was home to 652 residents, formed into 279 households and living in 300 dwellings. These statistics represent a moderate 7-10% level of growth on the 2011 Census, which recorded 605 people, 253 households and 281 dwellings. This data suggests that 19 new homes have been built in the parish since 2011 (net of any demolitions or other changes).

Figure 2-1: Map of the Shouldham Neighbourhood Area



Source: King's Lynn & West Norfolk Borough Council

The housing market area context

32. Whilst this HNA focuses on Shouldham NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.

33. In the case of Shouldham, the NA sits within a housing market area which covers the borough of King's Lynn & West Norfolk. This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Breckland (Norfolk) and Fenland (Cambridgeshire).

34. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods are closely linked to other areas. In the case of Shouldham, changes in need or demand in settlements nearby, most notably Downham Market and King's Lynn, are likely to impact on the neighbourhood.

35. In summary, Shouldham functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (King's Lynn & West Norfolk), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context.

Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

36. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[1] In the case of King's Lynn & West Norfolk, the relevant adopted Local Plan consists of the King's Lynn & West Norfolk Borough Council Local Development Framework Core Strategy[2], adopted in July 2011. This looks to 2026 alongside the Site Allocations and Development Management Policies Plan[3], adopted in September 2016.

37. The emerging Local Plan was submitted to the Secretary of State for examination on 29th March 2022. The most recent publicly available version of the plan is the Local Plan Review Pre-Submission Stage 2021[4], which looks to 2036.

38. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the emerging Local Plan:

- Emerging Local Plan Policy LP01 identifies an overall housing target of 10,780 for the Borough from 2016-2036;
- In Policy LP02 Shouldham is designated as a Rural Village, which may see some limited growth;
- Policy LP28 states that 20% of all new dwellings are expected to be delivered as Affordable Housing on sites of 5 homes or more. The suggested tenure mix within Affordable Housing is 70% affordable rent to 30% affordable home ownership (25% First Homes and 5% shared ownership);
- Policy LP30 sets out an expectation that 50% of new homes will be built to Category M4(2) accessibility standards.

Quantity of housing to provide

39. The NPPF 2023 (paragraphs 67 and 68) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

40. The Borough Council of KLWN has fulfilled that requirement by providing Shouldham with an indicative figure of 0-2 dwellings to be accommodated within the NA by the end of the Plan period. (The Council is currently giving consideration to the possibility of the higher figure of 2 after initially indicating a requirement of 0.) The emerging Local Plan states that there is no absolute need for further

[1] A description of the Basic Conditions of Neighbourhood Planning is available at https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum
[2] https://www.west-norfolk.gov.uk/downloads/download/68/core_strategy_document
[3] https://www.west-norfolk.gov.uk/info/20220/site_allocations_and_development_management_policies_plan/514/adopted_plan
[4] https://www.west-norfolk.gov.uk/info/951/local_plan_review_2016-2036_examination/986/local_plan_review_pre-submission_stage_2021

allocations to meet the Borough's overall needs so Neighbourhood Plan areas have generally not been allocated positive requirement figures, being instead enabled to assess sites within their own areas. The emerging Local Plan allocation of 5 dwellings (carried over from the adopted Plan) has outline consent and is expected to proceed.

3. Objectives and approach

Objectives

41. This Housing Needs Assessment (HNA) is structured according to a number of themes or topics that were agreed at the outset of the research with Shouldham Neighbourhood Plan Steering Group. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Affordability and Affordable Housing

42. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

43. This chapter has two aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, Shared Ownership); and
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings.

44. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Type and Size

45. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

46. The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

47. In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. The conclusions and

recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors and evidence if desired.

Approach

48. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Rightmove; and
- Local Authority housing waiting list data.
- The 2020 Housing Needs Assessment (HNA) for King’s Lynn & West Norfolk Borough.

49. Data from the 2021 Census continues to be released. Some data at parish scale and covering multiple variables will not be available until later in 2024.

4. Affordability and Affordable Housing

Introduction

50. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

51. This chapter has two aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, Shared Ownership); and
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings.

52. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

53. This section uses a range of technical terms which are useful to define at the outset:

- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and Shared Ownership).
- **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
- The definition of **Affordable Housing** is set out in the NPPF 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market…' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
- A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a

new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.[5]

- **First Homes** is a new product and expected to be an important part of the strategy for improving access to home ownership. Its key features are explained in greater detail in Appendix C.

Current tenure profile

54. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

55. Table 4-1 presents data on tenure in Shouldham compared with King's Lynn & West Norfolk and England from the 2021 Census. It shows that a significantly higher proportion of Shouldham households own their own homes than is the case across the Borough or England. This comes at the expense of private renting and, especially, social renting. The relative lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes to remain in the Parish. Indeed, the social rented housing stock is formed of just 3 properties, meaning that very few people reliant on subsidised housing have the opportunity to live in Shouldham.

Table 4-1: Tenure (households), various geographies, 2021

Tenure	Shouldham	King's Lynn & West Norfolk	England
Owned	87.1%	67.0%	61.3%
Shared Ownership	1.1%	0.5%	1.0%
Social rented	1.1%	13.6%	17.1%
Private rented	10.8%	18.9%	20.6%

Sources: Census 2021, AECOM Calculations

56. The imbalances evident in this current picture are more extreme than was the case in 2011. This is shown in Table 4-2 below, which suggests that Shouldham has seen the size of the social rented stock cut in half, likely due to the right to buy and similar schemes bringing properties within the owner occupation category. That said, there has been a proportionally significant increase in shared ownership, affording a small number of households who may otherwise not be able to own their own homes the opportunity to do so. In the period since 2011, however, the main change has been a further increase in home ownership, suggesting that the vast majority of new homes built were offered for sale on the open market. (This finding does, however, not align with transactions data from the Land Registry, suggesting that – at least since 2014 – no new homes have been purchased in the parish.

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

Table 4-2: Tenure change (households), Shouldham, 2011-2021

Tenure	2011	2021	% change
Owned	213	243	14.1%
Shared Ownership	1	3	200.0%
Social rented	6	3	-50.0%
Private rented	27	30	11.1%

Sources: Census 2021, AECOM Calculations

Affordability

House prices

57. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

58. Figure 4-1 looks at the average and lower quartile house prices in Shouldham based on sales price data published by the Land Registry. It shows that prices have followed a gentle upward trajectory over the past decade despite a number of year-on-year fluctuations, followed by a very sharp increase in 2023.

59. However, the data for 2023 appears to be an anomaly and should not be considered representative of average prices in Shouldham at present. It is based on a sample of just three transactions in the year to date (there is a lag in Land Registry data reporting), compared to an average of 10-20 per year in each of the previous years.

60. Given this inconsistency, average sales prices for 2022 are used throughout the rest of this report as the best expression of local values at present, and growth figures over the past decade are calculated over the nine years to 2022.

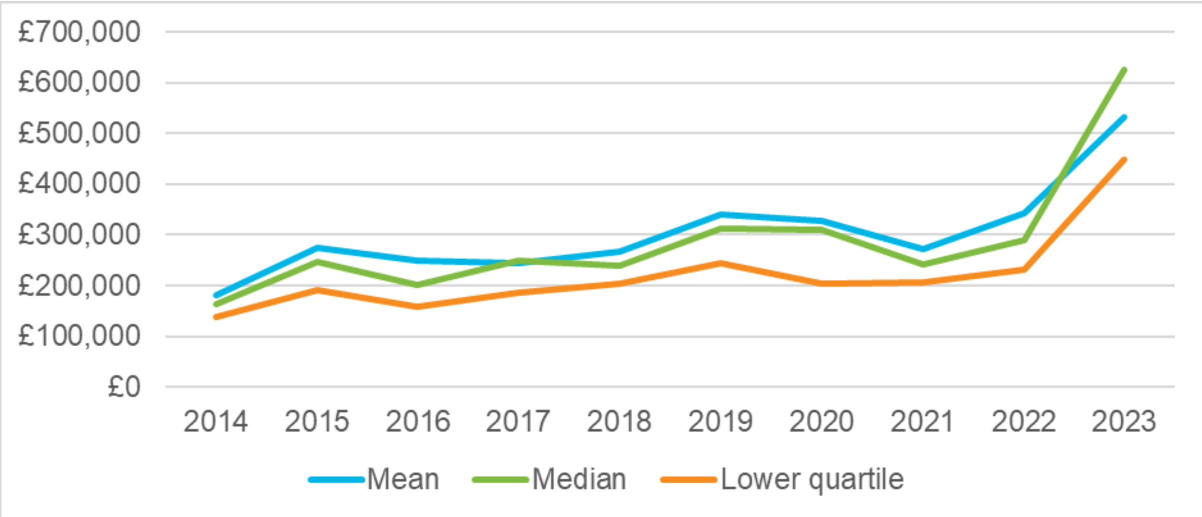
61. On this basis, the median transaction price is currently 79% higher in 2022 than 2014 (note that when 2023 is used the increase is 285%). The current median house price is £290,000, the current mean is £342,255, and the current lower quartile (the middle value of the cheapest 50% of properties sold) is £232,500. The lower quartile, which is typically taken as a good representation of 'entry-level' housing is around 80% of the median price, meaning there is little variety at the lower end of the market and that truly entry-level properties less frequently come up for sale. (Note for reference that the 2023 averages are a median of £625,000, mean of £533,000 and lower quartile of £449,500)

62. Average house prices in Shouldham are slightly more expensive than those of King's Lynn & West Norfolk as a whole. The median house price is 9% higher, translating into a price difference of around £25,000, and the lower quartile is 16% higher (£37,500 more). Although these differences likely point to higher land values in Shouldham, they also reflect the different dwelling mixes of the NA and

wider Borough – primarily the fact that there are higher proportions of larger detached houses and lower proportions of smaller flats in the Parish than the Borough (see Type and Size chapter for more detail).

63. The comparatively high price of housing for market purchase presents a significant barrier to entry for lower earning households. Although they may struggle to find appropriate properties within the parish, they do potentially have lower-cost alternatives if they are prepared to move elsewhere in King's Lynn & West Norfolk.

Figure 4-1: House prices by quartile in Shouldham, 2014-2023



Source: Land Registry PPD

64. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that semi-detached homes in particular have experienced strong price growth over the period. However, it is generally difficult to draw robust conclusions for price averages by type because the sample sizes are smaller. This is particularly the case for the low number of transactions in Shouldham, meaning that the annual average is driven more strongly by the specific characteristics of properties that happen to be sold in a given year rather than trends in market demand.

Table 4-3: Median house prices by type in Shouldham, 2014-2023

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth (2014-2022)
Detached	£199,500	£280,000	£255,500	£270,000	£255,000	£336,250	£412,751	£282,500	£308,800	£700,000	54.8%
Semi-detached	£117,500	£190,000	£440,000	£232,500	£200,000	-	£270,000	£243,750	£238,500	£274,000	103.0%
Terraced	£110,000	£178,000	£159,995	-	£150,000	£200,000	£180,000	£230,738	-	-	-
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	£162,475	£247,500	£201,000	£249,000	£238,750	£312,500	£310,000	£242,000	£290,000	£625,000	78.5%

Source: Land Registry PPD

Income

65. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing

products. Three sources of data are used to examine household incomes in the NA.

66. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners) and now slightly dated. The average total household income locally was £50,100 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

67. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level (where there are likely to be more lower income people due to the wider availability of social housing). It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. King's Lynn & West Norfolk's gross individual lower quartile annual earnings were £17,811 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,622.

68. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes.

Affordability Thresholds

69. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

70. AECOM has determined thresholds for the income required in Shouldham to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.

71. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

72. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be

purchased, although 5% may be available for some buyers) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £50,100	Affordable on LQ earnings? £17,811	Affordable on LQ earnings (2 earners)? £35,622
Market Housing						
Median House Price	£261,000	-	£74,571	No	No	No
Estimated NA New Build Entry-Level House Price	£228,991		£65,426	No	No	No
LQ/Entry-level House Price	£209,250	-	£59,786	No	No	No
LA New Build Median House Price	£261,000	-	£74,571	No	No	No
4+ Bed Market Rent	-	£21,600	£72,000	No	No	No
2-3 Bed (Entry-level) Market Rent	-	£13,200	£44,000	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£160,293	-	£45,798	Yes	No	No
First Homes (-40%)	£137,394	-	£39,256	Yes	No	No
First Homes (-50%)	£114,495	-	£32,713	Yes	No	Yes
Shared Ownership (50%)	£114,495	£3,180	£43,314	Yes	No	No
Shared Ownership (25%)	£57,248	£4,771	£32,259	Yes	No	Yes
Shared Ownership (10%)	£22,899	£5,725	£25,625	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,376	£17,901	Yes	Marginal	Yes
Social Rent	-	£4,399	£14,648	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

74. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher-than-average income, is likely to remain out of reach

to most. The median house price would require an annual income nearly 50% more than the current average – a difference of £24,000. Entry-level housing (represented by the lowest 25% of sales) is more affordable but still clearly out of reach for average earning households without additional savings or equity from an existing home.

75. Private renting is generally only affordable to average earning households, who can afford the rent for a 2-3 bedroom property but would be likely to struggle if larger homes are needed. Lower earning households appear unable to afford even an smaller rented property unless they are able or willing to dedicate a much larger proportion of their incomes to rental costs, although this would carry repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties tend to be available to make renting a reliable option for lower earning households.

Affordable home ownership

76. There is a relatively large group of households in Shouldham who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £44,000 per year (at which point entry-level rents become affordable) and £60,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and Shared Ownership.

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

78. As such, this HNA has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. The 30% discount level appears affordable to average earning households. Although higher discounts would widen access to a larger group of households, it would take a discount of 50% for dual lower earning households to afford a First Home. First-time buyers in the former group are the more realistic target market for First Homes, so this analysis suggests that there is limited need to exceed the minimum default discount level of 30% in Shouldham.

79. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased (or, indeed, that other changes such as more executive-style housing are needed). This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land

values and build costs that is outside the scope of this assessment. As noted above, if the Steering Group intend to set a higher First Homes discount level than that set at Borough level, further discussions with the LPA are advised.

80. Shared Ownership appears to be slightly more affordable than First Homes and is therefore accessible to a wider range of earners (including dual lower earning households who appear able to afford a 25% equity share). Government has recently announced that the minimum equity share for Shared Ownership will fall to 10% of the property value.[6] If this is delivered in the NA, it will make Shared Ownership easier to access for even more people. However, while the income threshold for a 10% equity Shared Ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as Shared Ownership at higher equity shares and First Homes) for those who can afford them.

81. Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership to average earners. Discounts on *average* rents would make Rent to Buy options more expensive than all First Homes and Shared Ownership products. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

82. These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared Ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared Ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

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

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

Affordable rented housing

83. Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Shouldham (if affordable rents exist at present, which is unlikely).

84. Affordable rented housing is generally affordable to lower earning households. However, lower earning households with only one earner appear reliant exclusively on social renting due to the extent of affordability challenges in the mainstream non-subsidised housing market. Such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.

85. The evidence in this chapter indicates a clear divide in housing affordability in Shouldham, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to a wide range of alternative options (such as private renting and affordable routes to ownership – where they exist), and lower earners able to access very little other than affordable rented housing and low equity shared ownership. Due to the lack of affordable and social rented homes at present there are, however, unlikely to be many such households in Shouldham.

86. Social rents are cheaper than affordable rents and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Conclusions- Tenure and Affordability

Current tenure profile

87. According to the 2021 Census, home ownership is the predominant tenure in Shouldham, representing a notably higher share of the total (87%) than the wider Borough (67%) and national average (61%). The prevalence of home ownership comes at the expense of private renting and, especially, social renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes seeking to move to or remain in the parish.

88. Since the 2011 Census, Shouldham has lost half of its stock of social rented housing, most likely due to the right to buy scheme, but has gained 2 shared ownership homes. The vast majority of new homes built in recent years appear to be in owner occupation.

Housing costs

89. Home values in the NA have followed a general upward trajectory over the past decade despite some year-on-year fluctuations. The current median house price (middle number when arranged from lowest to highest) is £290,000, which is 79% higher than the 2014 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £232,500. This is relatively close to the median, indicating that the range of price points in Shouldham is narrow and, consequently, people may struggle to find truly affordable entry-level properties. (Note that this report uses 2022 prices as the best representation of current average home values because the 2023 data is based on an anomalously small, and unusually expensive, sample).

90. It is also worth noting that the current median house price in Shouldham is 9% higher than the current median for King's Lynn & West Norfolk as a whole. Although Shouldham is dominated by detached and larger (4+ bedroom) homes and, correspondingly, Borough averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in its more urban locations, it remains likely that Shouldham is a high-value housing market for the local area.

91. AECOM has estimated the annual income required to afford various tenures of housing in Shouldham – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £50,100 in 2020 and the lower quartile household income for King's Lynn & West Norfolk was £17,811 in 2023.

92. It was found that local households on average incomes are unable to access even entry-level homes for purchase on the open market unless they have the advantage of a very large deposit. The median house price would require an annual income nearly 50% above the current average. Private renting is more affordable, but is generally only accessible to average earning households – and even then only for dwellings with 2-3 bedrooms. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are regularly available to make this a reliable option for local households.

93. Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Shouldham there is a relatively large gap between the income needed to afford to rent (£44,000) and to buy (£60,000), who may benefit from these products.

94. The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Shouldham the minimum 30% discount appears sufficiently affordable to average earning households. Although higher discounts would widen access to a larger group of households, it would take a discount of 50% for dual lower earning households to afford a First Home. First-time buyers in the former group are the more realistic target market for First Homes, so this analysis suggests that there is limited need to exceed the minimum default discount level of 30% in Shouldham.

95. It should be emphasised that there is relatively little chance of First Homes or any other form of subsidised Affordable Housing coming forward in Shouldham in the near future due to low expected delivery overall and the small size of available sites. In the absence of such options, efforts on the part of developers to deliver lower cost market housing would meet an identified need among the local population.

96. The evidence in this chapter indicates a clear divide in housing affordability in Shouldham, with higher earners and those already on the housing ladder potentially able to buy their own homes, average earners able to a wide range of alternative options (such as private renting and affordable routes to ownership – where they exist), and lower earners able to access very little other than affordable rented housing and low equity shared ownership. Due to the lack of affordable and social rented homes at present there are, however, unlikely to be many such households in Shouldham.

5. Type and Size

Introduction

97. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

98. This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.

99. This chapter has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe characteristics of the local **population** that are relevant to housing need; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

100. It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.

101. The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

- **Dwelling type**: whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size**: how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.
- **Household**: a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

- **Household composition**: the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage**: the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix**: the range of home sizes and types in an area.
- **Over- and under-occupancy**: the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

The current housing mix

102. This section establishes the current housing mix of Shouldham, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

103. Table 5-1 below shows that Shouldham's dwelling mix is more strongly weighted in favour of detached housing than the wider comparator geographies of King's Lynn & West Norfolk and England – although this characteristic is not unusual for rural villages. There are correspondingly smaller proportions of other type categories. In particular, there is extremely limited flatted accommodation. While flats tend to be the smallest and most affordable properties, and therefore most suitable to newly forming younger households in particular, it is not unusual for there to be few of them in rural villages.

104. The Census divides dwellings into a standard set of categories that does not include bungalows: a detached bungalow will be counted only as a detached house, and so forth. It is therefore useful to refer to Valuation Office Agency (VOA) data, which is based on council tax reporting and is in other respects less precise, but which does separate out bungalows as a separate category. VOA counts 192 bungalows in Shouldham in 2022, which is 30% of all homes. This is in line with the wider borough (at 27%), and significantly higher than England (9%). Bungalows tend to appeal to older households and those with mobility limitations, so this element of Shouldham's housing stock may be linked to the age profile of the population, considered later in this chapter.

Table 5-1: Accommodation type, various geographies, 2021

Type	Shouldham	King's Lynn & West Norfolk	England
Detached	65.9%	44.3%	22.9%
Semi-detached	16.5%	31.4%	31.5%
Terrace	10.4%	14.3%	23.0%
Flat	0.7%	9.3%	22.2%

Source: Census 2021, AECOM Calculations

105. The modest level of residential development in Shouldham in recent years is not reflected in 2021 Census data for housing types, which appears to show a decline of 2 homes between 2011 and 2021 (rather than the approximate increase of 19 dwellings recorded elsewhere). Other inconsistencies are also apparent, for instance the increase of just 2 detached homes when it is known that site G81.2 (Willow Court), built out in 2019/20, comprises 5 new detached houses. These inconsistencies are due to a change in how dwelling type statistics are presented: the total for this dataset used to sum to the total number of dwellings but now sums to the total number of households (which is always lower than the number of dwellings). While not fully reliable for this reason, the data presented in Table 5-2 below does, however, helpfully indicate that there has been an additional flat built in the parish.

Table 5-2: Accommodation type, Shouldham, 2011-2021

Type	2011	2021	% change
Detached	182	184	1.1%
Semi-detached	46	46	0.0%
Terrace	32	29	-9.4%
Flat	1	2	100.0%
Total	**281**	**279**	**-0.7%**

Source: Census 2021, AECOM Calculations

Dwelling size

106. Table 5-3 shows the mix of dwelling sizes by number of bedrooms in the NA compared to the wider Borough and country. Shouldham has a generally larger housing stock than the comparator areas. In particular, the proportion of 4+ bedroom homes in the parish is around 7 percentage points higher than the King's Lynn & West Norfolk and national average. The share of homes with 2 and 3 bedrooms is slightly below wider averages, but there are particularly few 1 bedroom properties. Considered alongside the type mix data presented above, the data in Table 5-3 suggests that there is a reasonable number of 2 bedroom terraced, semi-detached and even detached houses in the parish. These are most likely to be bungalows.

Table 5-3: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Shouldham	King's Lynn & West Norfolk	England
1	1.8%	7.7%	11.6%
2	30.8%	28.2%	27.3%
3	38.7%	42.8%	40.0%
4+	28.7%	21.4%	21.1%

Source: Census 2021, AECOM Calculations

107. In terms of recent changes to the dwelling size profile, Table 5-4 again shows that relatively few significant changes have taken place. There was no change in how this Census dataset is presented in the 2011 and 2021 Census, so the figures shown in Table 5-4 do reflect the modest growth in the number of homes

in the parish (though it appears exaggerated in this particular dataset, which relates to the number of households rather than dwellings). 50% of the 28 additional households living in homes for which bedrooms data is captured had 4 or more bedrooms, further extending the larger skew to the dwelling stock. However, the remaining additional homes are equally split between 2 and 3 bedroom categories, suggesting a relatively diverse mix of new housing. Note that some of the changes in the dwelling size mix between 2011 and 2021 reflect extensions and other changes to the existing housing stock rather than pure new development. Note that the Steering Group are not able to reconcile the count of 5 1 bedroom dwellings. This figure may relate to 'hidden' flats or annexes within larger dwelling plots or may reflect the inconsistencies that are often present in Census data at small scales.

Table 5-4: Dwelling size (bedrooms), Shouldham, 2011-2021

Number of bedrooms	2011	2021	% change
1	7	5	-28.6%
2	79	86	8.9%
3	101	108	6.9%
4+	66	80	21.2%
Total	**253**	**279**	**10.3%**

Source: Census 2021, AECOM Calculations

Population characteristics

108. This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years.

Age

109. Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. This shows the gentle pace of ageing in Shouldham, with the oldest two age groups expanding by some of the largest proportional increases while other age groups have grown at more varied and modest rates. It is notable that the number of younger people aged 15-44 have experienced robust growth, indicating the ability of Shouldham to attract a replacement population of young families, which may be linked to the recent provision of family-sized and potentially more affordable housing units. This evidence would appear to support the potential for any future development to attract and retain these groups if that is the community's wish.

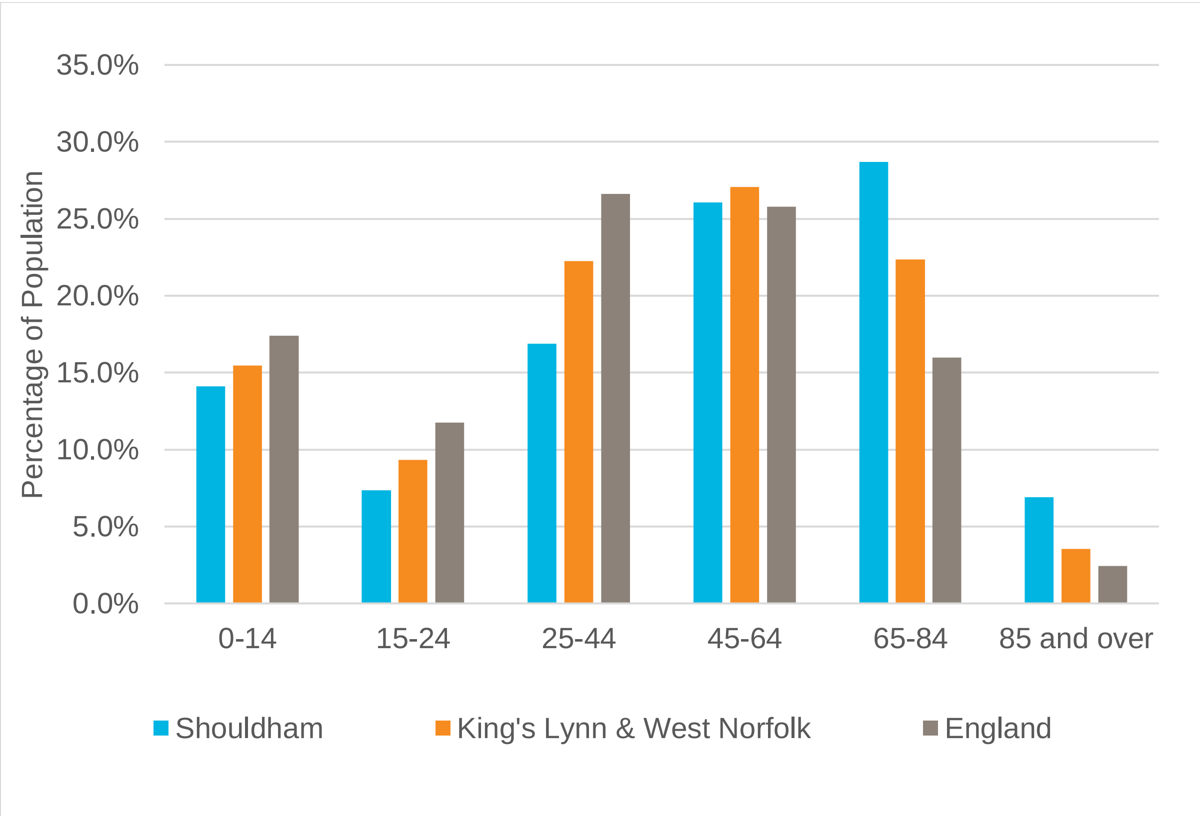
Table 5-5: Age structure of Shouldham, 2011 and 2021

Age group	2011 (Census)		2021 (Census)		Change
0-14	85	14.0%	92	14.1%	8.2%
15-24	42	6.9%	48	7.4%	14.3%
25-44	100	16.5%	110	16.9%	10.0%
45-64	174	28.8%	170	26.1%	-2.3%
65-84	164	27.1%	187	28.7%	14.0%
85 and over	40	6.6%	45	6.9%	12.5%
Total	**605**		**652**		**7.8%**

Source: ONS 2011, ONS 2021, AECOM Calculations

110. For context, it is useful to look at the NA population structure alongside that of the Borough and country. Figure 5-1 (using 2021 Census data) shows that Shouldham's population is markedly older than that of King's Lynn & West Norfolk and England. As the population continues to evolve to 2036 it is likely that many people in the particularly large 65-84 age group in Shouldham today will enter the 85+ group, at which point people's housing needs tend to change – for example, requiring accessibility adaptations or additional support.

Figure 5-1: Age structure in Shouldham, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

111. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Shouldham has a slightly higher proportion of single-person households than the wider Borough and

country, which appears to be driven by the NA's much higher share of single-person households aged over 66. Of the Parish's family households, more have children than do not – though this is the case to a lesser extent than is seen at wider averages. This data confirms the presence of a number of families and children alongside a gradually expanding older population. Shouldham also has fewer 'other' households than the Borough and country, where more than one family unit shares a dwelling.

Table 5-6 Household composition, Shouldham, 2021

Household composition		Shouldham	King's Lynn & West Norfolk	England
One person household	**Total**	31.5%	29.4%	30.1%
	Aged 66 and over	19.0%	15.8%	12.8%
	Other	12.5%	13.6%	17.3%
One family only	**Total**	65.6%	65.4%	63.1%
	All aged 66 and over	19.0%	13.8%	9.2%
	With no children	18.6%	19.3%	16.8%
	With dependent children	19.7%	22.0%	25.8%
	With non-dependent children[7]	9.0%	9.8%	10.5%
Other household types	**Total**	2.9%	5.2%	6.9%

Source: ONS 2021, AECOM Calculations

112. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in it than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

113. 2021 Census data in Table 5-7 shows that around 9 in 10 households have at least one more bedroom than they would be expected to need, and just under half have two more. This is particularly the case for couples and single people aged over 65 and families without children. While not uncommon, this suggests that the Parish's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

114. There are very few households with too few bedrooms, but this situation is most common among those with dependent or adult children – suggesting that

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

affordability difficulties are causing a small number of family households to live in unsuitable accommodation.

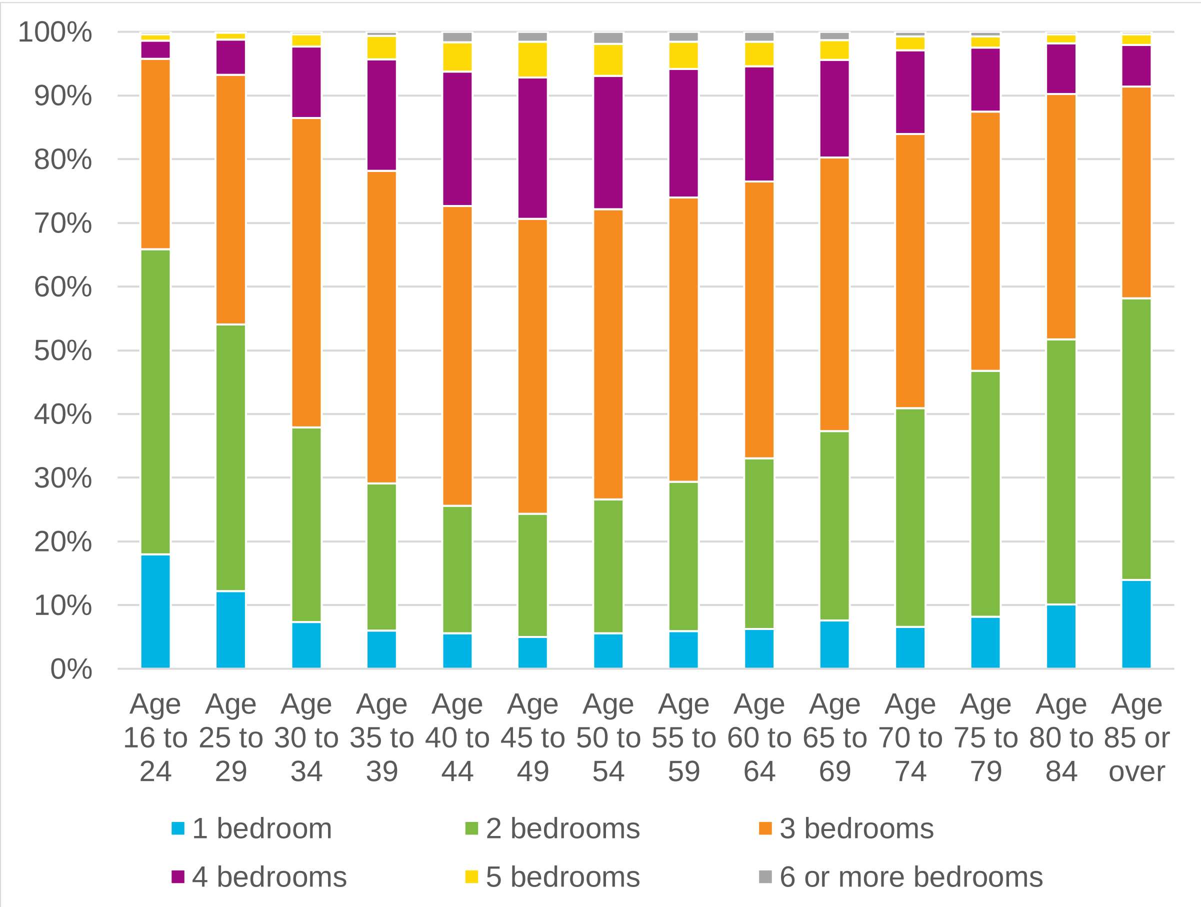
Table 5-7: Occupancy rating by age in Shouldham, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	60.8%	39.2%	0.0%	0.0%
Single person 65+	60.4%	35.8%	3.8%	0.0%
Family under 65 - no children	54.9%	41.2%	3.9%	0.0%
Family under 65 - dependent children	37.9%	34.5%	25.9%	1.7%
Family under 65 - adult children	44.0%	32.0%	24.0%	0.0%
Single person under 65	35.3%	61.8%	2.9%	0.0%
All households	**49.1%**	**40.4%**	**9.7%**	**0.7%**

Source: ONS 2011, AECOM Calculations

115. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for King's Lynn & West Norfolk in 2011 (because this data is not available at smaller scales or for the latest Census). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-2: Age of household reference person by dwelling size, King's Lynn & West Norfolk, 2011



Source: ONS 2011, AECOM Calculations

Future population and size needs

116. This section projects the future age profile of the population in Shouldham at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

117. The result of applying Local Authority level household projections to the age profile of Shouldham households in 2011 (because household age data is not yet available for 2021) is shown in Table 5-8. This makes clear that population change can be expected to be driven by further growth in the oldest households, with the 65+ age group expected to nearly double to become around 53% of the total, while the younger age groups remain largely the same size decline to various degrees.

118. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. This level of ageing may well be accurate given the large current 65-84 population (which is also larger than the King's Lynn & West Norfolk average upon which these projections are based). However, Shouldham's healthy family population may afford protection against the potential contraction in the number of children that this model implies.

Table 5-8: Projected age of households, Shouldham, 2011 - 2036

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	1	14	76	54	108
2036	1	13	68	56	156
% change 2011-2036	-31%	-11%	-10%	4%	44%

Source: AECOM Calculations

119. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

120. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

121. The result of this exercise is presented in Table 5-9. It suggests that the ideal

mix of dwelling sizes in 2036 to accommodate demographic change would have higher proportions of smaller and mid-sized homes and lower proportions of larger properties than the current dwelling mix.

122. Consequently, the model recommends that future housing delivery focuses exclusively on 1-3 bedroom homes, with an emphasis on 1 and 3 bedroom homes in particular. These size categories tend variously to appeal to young people, starter families and some downsizing older households, and generally offer greater affordability than larger homes. This finding generally aligns with the community preferences expressed in a 2023 consultation event, which include support for smaller homes and limited appetite for larger ones.

123. The model recommends a particularly high proportion of 3 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages and tend generally to be the most popular size across most age groups.

124. The present lack of 1 bedroom homes may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1 bedroom category as the model suggests. If large numbers of flats are not considered a welcome proposition in the parish, the Neighbourhood Plan might blend the suggested proportions of 1 and 2 bedroom homes into a combined 1-2 bedroom category, allowing for greater flexibility, or even simply seeking an overall proportion of new homes that should have 3 bedrooms or fewer (up, potentially, to 100% of new homes).

125. The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount.

126. In essence the goal is diversification away from a relatively skewed current mix and recent development profile, with a need for mid-sized and smaller options, and limited need for the largest properties.

Table 5-9: Suggested dwelling size mix to 2036, Shouldham

Number of bedrooms	Current mix (2021)	Suggested mix (2036)	Balance of new housing to reach suggested mix
1	1.8%	7.6%	44.7%
2	30.8%	30.8%	11.0%
3	38.7%	42.8%	44.3%
4+	28.7%	18.8%	0.0%

Source: AECOM Calculations

127. Expanding on the commentary above, the following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The preceding chapter found that affordability is a serious and worsening challenge in the parish. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation (even if their prices rise through demand), although it should be considered whether large proportions of 1-2 bedroom homes are suitable given the area's character and current density.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable. That said, people also have sentimental attachments to existing homes or see them as nest eggs for children, meaning that downsizing is not a preference for everyone.
- It is relevant to look at the mix proposed for King's Lynn & West Norfolk as a whole in the 2020 HNA. The recommended size mix for market housing includes over 30% 4+ bedroom homes. This could justify following the potential adjustments outlined above – namely, to reduce the emphasis the HNA model gives to 1 bedroom homes and allow for some further delivery of 4+ bedroom properties.
- More broadly it is important that the mix of new housing is balanced in and of itself (in addition to creating greater balance in the housing stock overall). As such, it may reasonably be considered that the complete absence of 4+ bedroom homes in the recommended size mix is inappropriately constricting. Allowing for a limited proportion of larger homes may be appropriate if this is in line with the objectives of the community.

Tenure

128. The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction

may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

129. Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for 1 or 2 bedroom properties. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

130. There are three key sources of information for thinking through the size needs of different categories. These are:

- Housing needs evidence for wider King's Lynn & West Norfolk: the 2020 HNA breaks down the size mix by tenure, confirming that homes in affordable tenures should generally be smaller than for market tenures.
- The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs.
- Any past or future household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population.

131. To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

132. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

133. The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

134. The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Shouldham, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character and aesthetics, which in rural areas tend to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, a large block of which is unlikely to be a welcome proposition in the NA. That said, it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue if able to be harmonised with local design considerations.

135. In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Steering Group and community to consider.

Conclusions- Type and Size

The current housing mix

136. The current dwelling mix in Shouldham is weighted in favour of larger and less dense home types. Specifically, nearly two thirds of all homes are detached houses (compared to under half across King's Lynn & West Norfolk and under a quarter across England). The proportion of bungalows, at 30%, is slightly higher than the Borough and significantly higher than the national average. This characteristic of the housing stock is likely to be linked to the parish's older age profile.

137. The proportion of 4+ bedroom homes in Shouldham is also notably higher than that of the Borough and there is a relative lack of 1 bedroom properties (though this is not unusual for a rural village). The majority of new homes built since 2011 have been detached homes with 4 or more bedrooms, thereby exaggerating the parish's existing imbalances. However, a valuable injection of mid-sized properties has also been provided in recent years. Alongside growth in other size and type categories, this appears to have supported the robust growth in the younger population (see below).

138. In summary, Shouldham is characterised by detached and larger homes, which tend to be more expensive and not well-suited to key segments of the population – notably single people, younger families and downsizing older people – although some variety does exist and new development improved housing choice to some extent.

Population characteristics

139. The NA population, which is markedly older than that of the Borough and England, has experienced a modest degree of ageing in the decade since 2011. The 65-84 and 85+ age groups have expanded by 14% and 13% respectively, while other age groups have grown at slightly lower rates. It is notable that the numbers of children and people aged 25-44 have experienced robust growth, indicating the ability of Shouldham to attract a replacement population of young families, which may be linked to the recent provision of some family-sized and potentially more affordable housing units. These shifts point to future needs across a range of age groups, with a clear opportunity to further attract young families as well as an imperative to accommodate the growing population of older people – who may be seeking to downsize or experiencing changing mobility and support needs.

140. Applying ONS household projections for King's Lynn & West Norfolk to the Shouldham population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group expanding by 44% to become the largest single group (at over 50% of the total) while most other age bands contract. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. This level of ageing may well be accurate given the large current 65-84 population (which is also larger than the King's Lynn & West Norfolk average upon which these projections are based). However, Shouldham's healthy family population may afford protection against the potential contraction in the number of children that this model implies.

141. Shouldham has a slightly higher proportion of single-person households than the wider Borough and country, which appears to be driven by the NA's much higher share of single-person households aged over 66. Of the Parish's family households, more have children than do not – though this is the case to a lesser extent than is seen at wider averages. This data confirms the presence of a number of families and children alongside a gradually expanding older population.

142. As of the 2021 Census, around 9 in 10 households in the NA had at least one more bedroom than they would be expected to need, and just under half had at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among couples with no children and older households. While not uncommon, this might suggest that Shouldham's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties. This may point to an unmet need for homes suitable for downsizing.

Future population and size needs

143. It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing

housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (with 1-3 bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably ageing and the modest growth in younger families), and diversification away from the high proportion of 4+ bedroom homes in the current stock. This finding also generally aligns with the community preferences expressed in a 2023 consultation event, which include support for smaller homes and limited appetite for larger ones.

144. The model recommends a particularly high proportion of 3 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages and tend to be popular among all age groups. It also recommends a large share of 1 bedroom homes. The present lack of homes in this size category may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1 bedroom category as the HNA model suggests. If large numbers of flats are not considered a welcome proposition in the parish, the suggested proportions of 1 and 2 bedroom homes could be blended into a combined 1-2 bedroom (or even 1-3 bedroom) category, allowing for greater flexibility.

145. The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount in line with the recommendations for King’s Lynn & West Norfolk as a whole in the 2020 HNA.

146. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Next Steps

Recommendations for next steps

147. This Neighbourhood Plan housing needs assessment aims to provide the Steering Group with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with King's Lynn & West Norfolk (KLWN) Borough Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of KLWN Borough Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by KLWN Borough Council.

148. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

149. Bearing this in mind, it is recommended that the Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, KLWN Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

150. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Assessment geography

151. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs).

152. In this case, the NA equates exactly to the following combination of OAs:

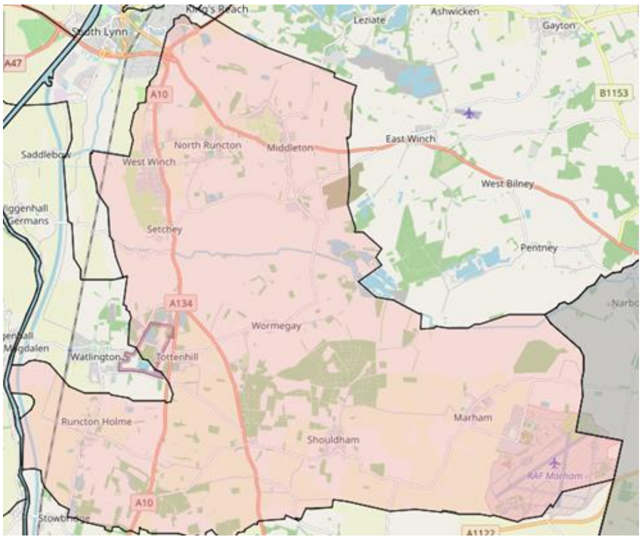
- OA E00135393; and
- OA E00135394.

153. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. For this data, the proxy area in which Shouldham is located must be used. This is:

- LSOA E01026642.

154. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, has the code number E02005564. As well as Shouldham parish, this MSOA covers Markham Airbase and other parishes directly to the north and west of the NA. A map of this geography is given below:

Figure A-1: Map of MSOA E02005564



Source: Nomis

Appendix B : Local Plan context

Policies in the adopted local plan

155. Tables B-1 and B-2 below summarise adopted and emerging Local Plan policies that are relevant to housing need and delivery in Shouldham.

Table B-1: Summary of relevant adopted policies in the King's Lynn & West Norfolk Borough Council Local Development Framework Core Strategy

Policy	Provisions
CS01: Spatial Strategy	Locally appropriate levels of growth will take place in selected Key Rural Service Centres and Rural Villages.
CS02: Settlement Hierarchy	The settlement hierarchy is as follows: - Sub-regional centre - Main Towns (Hunstanton and Downham Market) - Settlements adjacent to King's Lynn and the main towns - Key Rural Service Centres - Rural Villages **(including Shouldham)** - Smaller Villages and Hamlets Limited minor development will be permitted in Rural Villages which meets the needs of settlements and helps to sustain existing services.
CS06: Development in Rural Areas	In the Rural Villages, Smaller Villages, and Hamlets, modest levels of development will be permitted to meet local needs and maintain the vitality of these communities where this can be achieved in a sustainable manner, particularly with regard to accessibility to housing, employment, services, and markets, and without detriment to the character of the surrounding area or landscape. Sites may be allocated for affordable housing or exception housing in accordance with criteria to support the housing strategy.
CS09: Housing Distribution	The plan will identify sufficient land for a minimum of 16,500 new dwellings across the Borough over the period 2001 to 2026. Provision will be made for at least 1,280 new dwellings in total in Rural Villages, with allocations for at least 215 new homes. New housing allocations will be restricted solely to the provision of small scale infilling or affordable housing allocations or

Policy	Provisions
	potential exceptions housing to meet the identified needs of the local community. Proposals for housing must take appropriate account of need identified in the most up to date SHMA, with particular regard to size, type, and tenure of dwellings. The overall target for Affordable Housing outside of the built up area of King's Lynn is 20%. This will apply on sites of 5 or more dwellings. The Affordable Housing tenure mix is proposed as 70:30 rented to shared ownership (which can include other forms of intermediate tenure), adjusted where necessary to balance housing need and make schemes viable.

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

Table B-2: Summary of relevant adopted policies in the King's Lynn & West Norfolk Borough Council Site Allocations and Development Management Policies Plan

Policy	Provisions
G81.1 Shouldham – Land South of no.1 New Road	Land amounting to 0.3 hectare is allocated for residential development of at least 5 dwellings. Further requirements are outlined in the full policy.
G81.2 Shouldham – Land Accessed from Rye's Close	Land amounting to 0.3 hectare is allocated for residential development of at least 5 dwellings. Further requirements are outlined in the full policy. The Steering Group note that access is in fact from Westgate Street rather than Rye's Close.

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

Policies in the emerging local plan

B.1 Table B-3 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Shouldham.

Table B-3: Summary of relevant emerging policies in the Local Plan Review Pre-Submission Stage 2021

Policy	Provisions
LP01: Spatial Strategy	The LHN of 539 new dwellings spread over the 20-year plan period (2016-2036) results in a need of 10,780 dwellings which need to be planned for. 210 dwellings are allocated to the Rural Villages, accounting for 3% of the total homes allocation.
LP02: Settlement Hierarchy	The settlement hierarchy is as follows: - Sub-Regional Centre (King's Lynn including West Lynn) - Main Towns (Hunstanton and Downham Market) - Settlements adjacent to King's Lynn and the main towns - Growth Key Rural Service Centres (GKRSC) - Key Rural Service Centres (KRSC) - Rural Villages **(including Shouldham)** - Smaller Villages and Hamlets Rural villages have a limited but locally important role meeting the needs of the immediate village. Sustaining the existing services is a key priority. These settlements may see some limited growth, which will help support surrounding rural areas (e.g. some small-scale infilling or affordable housing).
LP28: Affordable Housing	Proposals for housing need to meet the need as identified in the most up to date housing needs assessment with particular regard to size, type, and tenure of dwellings. Affordable housing provision may come forward as a percentage of allocated or other permitted sites, or as exception sites in suitable locations. On sites outside of the built-up area of King's Lynn 20% affordable housing will be sought. In Shouldham this will be on sites of 5 or more dwellings. In terms of tenure mix, 70:30 rented to First Homes (25%) and shared ownership (5%) will be expected, adjusted where necessary to balance housing need and make schemes viable.

Policy	Provisions
	The Borough Council will support schemes for the provision of affordable housing as exceptions to normal planning policies where: a. The site adjoins a sustainable settlement, as defined by the settlement hierarchy; b. The proposal is supported by evidence of local affordable housing need; c. Future management for affordable housing is supported by a RSL; d. The scheme must be genuinely affordable housing led and any element of subsidy though provision of market housing is proven through viability assessments.
LP29: Housing for the Elderly and Specialist Care	Development proposals providing specialist housing options for older people's accommodation and others with support needs, including sheltered housing, supported housing, extra-care housing, and residential/nursing care homes will be encouraged.
LP30 – Adaptable and Accessible Homes	All new homes must be designed and constructed in a way that enables them to be adaptable, so they can meet the changing needs of their occupants over their lifetime. Planning permission will be granted for new dwellings subject to the following: - 50% of new homes must be built to meet requirement M4(2) of Part M of the Building Regulations: Category 2 for accessible and adaptable dwellings. - The encouragement, where practicable and viable, of dwellings on schemes involving major development being provided as wheelchair adaptable dwellings in accordance with the Building Regulations M4(3) standard: Category 3. - The Borough Council will require a minimum of 5% of the affordable housing contribution (new dwellings) on major housing developments to accord with Category M4(3) (wheelchair adaptability).
G81.2: Shouldham – Land Accessed from Rye's Close	Land amounting to 0.3 hectares is allocated for residential development of at least 5 dwellings. Further requirements are outlined in the full policy. This site is carried forward from the previous Plan

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

Appendix C : Affordability calculations

156. This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing chapter have been calculated.

C.1 Market housing

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

i) Market sales

158. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

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

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

- Value of a median NA house price (2022) = £290,000;
- Purchase deposit at 10% of value = £29,000;
- Value of dwelling for mortgage purposes = £261,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £74,571.

161. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022 was £232,500, and the purchase threshold is therefore £59,786.

162. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward

in future. Land Registry does not record any sales of new build properties in the NA over the period of search (since 2014).

163. It is, however, important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below). In the absence of a sufficiently robust or recent sample from which to understand the likely cost of new build housing in Shouldham in future, an estimate has been calculated by determining the uplift between all house prices in 2023 across King's Lynn & West Norfolk and new build house prices in 2023 in the same area. This percentage uplift (or 'new build premium'), which in King's Lynn & West Norfolk's case is 9.4%, is then applied to the 2022 lower quartile house price in Shouldham to give an estimated NA new build entry-level house price of £254,434 and purchase threshold of £65,426.

ii) Private Rented Sector (PRS)

164. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.

165. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

166. The property website Rightmove shows rental values for property in the Neighbourhood Area. The sample of rental price data within Shouldham itself was very limited at the time of search in February 2023, so a wider radius covering nearby parishes but drawn to avoid King's Lynn and Downham Market was selected to produce a more robust sample of 12 listings. This consisted of one 2 bedroom property, four 3 bedroom properties, and seven properties with 4 or more bedrooms.

167. Using this data, the median monthly rent for a 4+ bedroom property in this area is £1,800. The median monthly rent for a 2-3 bedroom property, used to represent entry-level rents, is £1,100.

168. The calculation for the private rent income threshold for entry-level dwellings is as follows:

- Annual rent = £1,100 x 12 = £13,200;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £44,000.

169. The calculation is repeated for larger property average to give an income threshold of £72,000.

C.2 Affordable Housing

170. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

171. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

172. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Shouldham. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for King's Lynn & West Norfolk in Table C-1.

173. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£75.98	£83.27	£90.67	£102.33	£84.59
Annual average	£3,951	£4,330	£4,715	£5,321	£4,399
Income needed	£13,157	£14,419	£15,700	£17,719	£14,648

Source: Homes England, AECOM Calculations

ii) Affordable rent

174. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on

housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

175. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

176. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for King’s Lynn & West Norfolk. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

177. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 40% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

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

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

179. In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

180. Because First Homes are a new tenure product, it is worth explaining some of their key features:

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

181. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £254,434.

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

- Value of a new home (estimated NA new build entry-level) = £254,434;
- Discounted by 30% = £178,104;
- Purchase deposit at 10% of value = £17,810;
- Value of dwelling for mortgage purposes = £160,293;
- Divided by loan to income ratio of 3.5 = purchase threshold of £45,798.

183. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £39,256 and £32,713 respectively.

184. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible, and the discounted prices are also within the £250,000 limit set in national policy.

185. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m[8]) would be around £122,500. This cost excludes any land value or developer profit. This could be an issue in Shouldham at higher discount levels.

186. Table C-3 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below, suggesting that there is a big difference in affordability depending on the form that First Homes take. For example, they would be less affordable if delivered in the form of semi-detached and detached homes as supplied by recent new build developments.

Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	33%	76%	52%
NA estimated new build entry-level house price	23%	73%	46%
NA entry-level house price	16%	70%	40%
NA median new build house price	33%	76%	52%

Source: Land Registry PPD; ONS MSOA total household income

Shared Ownership

187. Shared Ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared Ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

188. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home

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

previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

189. To determine the affordability of Shared Ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

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

- A 25% equity share of £254,434 is £63,608;
- A 10% deposit of £6,361 is deducted, leaving a mortgage value of £57,248;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £16,356;
- Rent is charged on the remaining 75% Shared Ownership equity, i.e. the unsold value of £190,825;
- The estimated annual rent at 2.5% of the unsold value is £4,771;
- This requires an income of £15,902 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £32,259 (£16,356 plus £15,902).

191. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £25,625 and £43,314 respectively. These results are again below the £80,000 eligibility cap.

Rent to Buy

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

Help to Buy (Equity Loan)

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

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

Appendix D : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes Shared Ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[9].

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[10]

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

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

[10] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order[11]

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

Concealed Families (Census definition)[12]

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

Equity Loans/Shared Equity

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

[11] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary
[12] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[13], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

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

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing[14]

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

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

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.[15]

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

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