

# Chiseldon Neighbourhood Plan

Housing Needs Assessment (HNA)

May 2023

Quality information

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## List of acronyms used in the text:

CNDP	Chiseldon Neighbourhood Development Plan
CPC	Chiseldon Parish Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SBC	Swindon Borough Council
SG	The CNDP Steering Group
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

- 1.1 Chiseldon is a Neighbourhood Area located in the local authority area of Swindon borough. The Neighbourhood Area boundary covers the areas administered by Chiseldon Parish Council.
- 1.2 Chiseldon had a population of 2,667 individuals in the 2011 Census, showing an increase of 68 individuals since the 2001 Census.
- 1.3 There has been some development in Chiseldon since 2011; Swindon Borough Council's completions data from 2011 to 2021 shows that a total of 18 net dwellings have been delivered since 2011. The data also shows that no Affordable Housing has been delivered in the parish since 2011. The total quantity of dwellings in the NA is estimated to be 1,117. As of April 2022, outstanding commitments total 88 dwellings including a scheme for 77 dwellings.
- 1.4 Our Executive Summary which follows, reviews the conclusions of each chapter of the report, addressing the 2 research questions formulated at the outset of the research.

## Conclusions- Tenure and Affordability

### Affordability issues

- 1.5 Chiseldon's current tenure mix reveals a very high rate of home ownership (72%) compared to wider averages and a corresponding lack of Affordable Housing and private rented options (despite a 97% increase in the latter category between 2011 and 2011).
- 1.6 Home values in the parish have increased substantially over the last decade with the value of an average home (mean) now 69% higher than it was in 2012. An entry-level home currently costs £247,500 with a median home costing 26% more at £312,000. The stock is currently dominated by detached and semi-detached properties which make up around 83% of the stock. There are relatively few terraced homes and flats in the parish. This means that there are relatively few opportunities for those with lower budgets.

### Tenure options

- 1.7 AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people. The average household income in Chiseldon is £45,700, and the lower quartile income (per person) was £17,718 in 2020.
- 1.8 It was found that local households on average incomes are unable to afford 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 43% higher than the current average.

- 1.9 Average private rents are generally only affordable to higher earners. Entry-level rents are affordable to average earning households and marginally affordable to dual lower quartile earners. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
- 1.10 Entry-level market rental property is unaffordable to single lower earning households, who must therefore either apply for affordable rented housing (marginally affordable) and social rents or remain in the private rented sector while relying on housing benefit or other support.
- 1.11 None of the three income groups can readily afford to buy or rent average rental property in Chiseldon. There is a relatively large group of households who can afford to rent entry-level property but are unable to afford average rents or to buy their own home. They are typically earning between £36,960 per year (at which point entry-level rents become affordable) and £63,643 (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.
- 1.12 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It appears that a 30% discounted First Home would not be affordable to average earning household, whilst a 40% discount would make them marginally affordable. The maximum 50% discount would make First Homes comfortably affordable to average earning households.
- 1.13 All of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.
- 1.14 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Chiseldon as the only option for a large segment of those in the greatest need. Social rents are cheaper and could therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc.

## **Quantity of Affordable Housing needed**

- 1.15 Pro-rating the SHMA figures to Chiseldon, based on its fair share of the population (1.3% of Swindon's population), produces 5.5 homes per annum (predominately for social/affordable rent) or 77 affordable homes over the Neighbourhood Development Plan period (2022-2036). Applying the SHMA tenure split to this figure produces a requirement for 4.3 affordable rented units per annum (60 over CNDP period) and 1.2 affordable home ownership dwellings per annum (17 over the CNDP period). These figures give a reasonable guide to the potential scale of need for Affordable Housing in Chiseldon.

## **Policy considerations**

- 1.16 Swindon's adopted policy on this subject (HA2) requires developments of 15 dwellings and over (or sites larger than 0.5 ha) to contribute 30% affordable homes. Given that no

Affordable Housing has been delivered in Chiseldon over the last decade according to SBC's completions figures, it is understood that this target is not usually met on sites in the NA.

- 1.17 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be potential need for Affordable Housing in Chiseldon, and every effort should be made to maximise delivery where appropriate.
- 1.18 The SHMA guideline mix of 78% rented to 22% ownership appears to offer a suitable benchmark, but to accommodate the 25% First Homes requirement mandated nationally, a mix of 75% rented to 25% ownership tenures (in the form of First Homes) would be required. However, this would limit other forms of ownership tenures such as shared ownership homes.
- 1.19 On the balance of factors listed in the policy guidance section of this chapter, AECOM recommends that roughly 67% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 33% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for some shared ownership tenures to widen choice. This split would also be in conformance with policy DM6 in the emerging Local Plan.
- 1.20 Applying the SHMA affordable housing need estimates to Chiseldon suggests a need for around 77 affordable dwellings over the CNDP period. There is currently a scheme with a planning permission for 77 dwellings at Burdrop House Bradbury Park which is expected to provide contribution for 25 offsite affordable homes. However, even if these are delivered, past affordable housing delivery and the HRF, mean that the expected level of delivery is unlikely to meet the quantity of demand identified. SBC advised that it currently has 10 customers on its housing waiting list with connections to Chiseldon. Therefore, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) be explored. If the Steering Group considered exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
- 1.21 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.



## Conclusions- Type and Size

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

### The existing housing stock

1.23 Chiseldon's housing stock is dominated by detached and semi-detached housing which make up a substantially higher proportion of stock compared to the levels in the wider borough and the national average. There is a correspondingly smaller proportion of terraced properties and very few flats compared to the wider geographies. This is similar to other rural villages across the Country.

1.24 In terms of dwelling size, Chiseldon has a relatively balanced housing stock with 3 bedroom homes being the most common size (around 48%) with larger (4 bedroom) properties forming the next most popular category (21%) followed by smaller (2 bedroom) properties (17%). The smallest (1 bedroom) properties make up just under 6% of the stock whilst large (5 bedroom plus) dwellings make up 9% of stock. Compared to the wider borough and the parish has a bigger proportion of larger homes. Development since 2011 has continued to produce medium to large dwellings (3-5 bedrooms). The lower proportion of smaller dwellings adversely impacts affordability in the NA.

### Demographics

1.25 The parish age structure of the population is a key indicator of the future need for housing. The 2011 Census data presented above demonstrates that Chiseldon has a generally older population profile than Swindon and England.

1.26 Applying the Local Authority level household projections to the age profile of Chiseldon's households suggests that by 2036 the oldest households could increase by 81% from 2011 levels to become by far the dominant group at 44% of the projected total, while the youngest age groups decline. It is clear that ageing will be a major driver of housing need in Chiseldon going forward. This will be impacted by whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.

1.27 Chiseldon has a much lower proportion of single person households compared to Swindon borough and the national average. There is a greater proportion of older (65 plus) family households in the parish than in the wider geographies. In summary, there are comparatively fewer people living alone in Chiseldon and there are more older family households.

1.28 There is a high rate of under-occupancy in the parish, with 81% of households living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census). Couples under 65, living without children, tend to under-occupy the most followed by the 65 and over family households. The percentage of people living in homes with fewer bedrooms than they might be expected to need is relatively small at 1%.

1.29 The previous chapter identified high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size, or by older people who have not chosen or be able to move to smaller properties. This latter point is confirmed when considering the data for different household types. Around 94% of couples aged over 65 have more bedrooms than they would be expected to need. Again, this is common across the country and not specific to Chiseldon.

## **The future dwelling mix**

1.30 The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the plan period, suggests that new development should help boost the supply of smaller homes if the type of development is considered appropriate in terms of character and density. Too many additional large homes should be avoided because there is a bias towards these properties, not even accounting for the extensions to existing properties that do not appear in this data. This finding was also reflected in the CNDP's housing needs survey which showed a significant preference for 2 bedroom homes (c. 45%). While already the most common, 3-bedroom properties are likely to continue to be needed as generally the most popular option among many groups.

1.31 Small and mid-sized homes would improve affordability as well as the parish's offering for younger households who have few options for their next step on the property ladder. This is reflected in SBC's housing register which shows that 3 bedroom properties are most in demand followed by 2 bedroom units. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families.

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

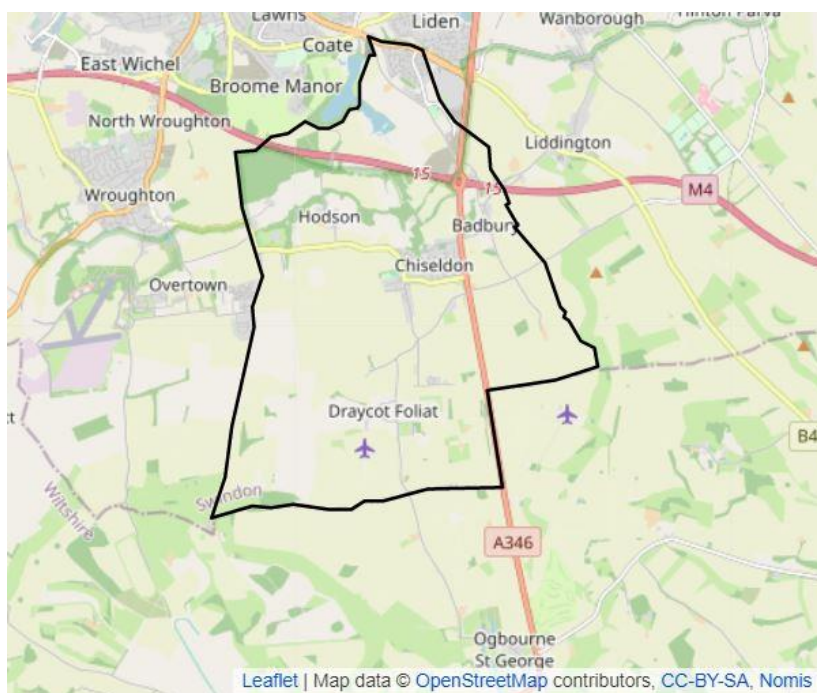
1.33 In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging some smaller dwellings which may include flats and terraces, and, on the other hand, preserving the features that residents appreciate about Chiseldon at present.

## 2. Context

### Local context

- 2.1 Chiseldon is a Neighbourhood Area (NA) located in the Borough of Swindon, Wiltshire. The Neighbourhood Area (NA) boundary corresponds to the civil parish of Chiseldon and was designated in February 2022.
- 2.2 The proposed Chiseldon Neighbourhood Development Plan (CNDP) period starts in 2022 and extends to 2036, therefore spanning a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 2.3 Chiseldon is a village and civil parish in Swindon, south west of England. The village lies around a mile south of junction 15 of the M4 motorway on the A346 between Swindon and Marlborough. Besides the village of Chiseldon, the parish also includes the hamlets of Badbury, Badbury Wick, Draycot Foliat and Hodson. Swindon is the nearest major settlement, around 5 miles north west of the NA. This also provides the nearest Railway station to the NA (c. 6.5 miles). Chiseldon has bus connections to Swindon, Marlborough and Salisbury. The North Wessex Downs AONB partially overlaps the eastern part of the NA.
- 2.4 In 2017 the northern boundary of the parish was redrawn to follow the M4, and the area north of the M4 was transferred to the newly created Central Swindon South parish. For Census purposes, the 2011 Parish area was used as this remains the best proxy for the NA area (see Figure 2-1). The current civil parish boundary which corresponds to the NA area is shown in Figure 2-2.

**Figure 2-1 Map of the 2011 Chiseldon Parish Area (E04001088)**

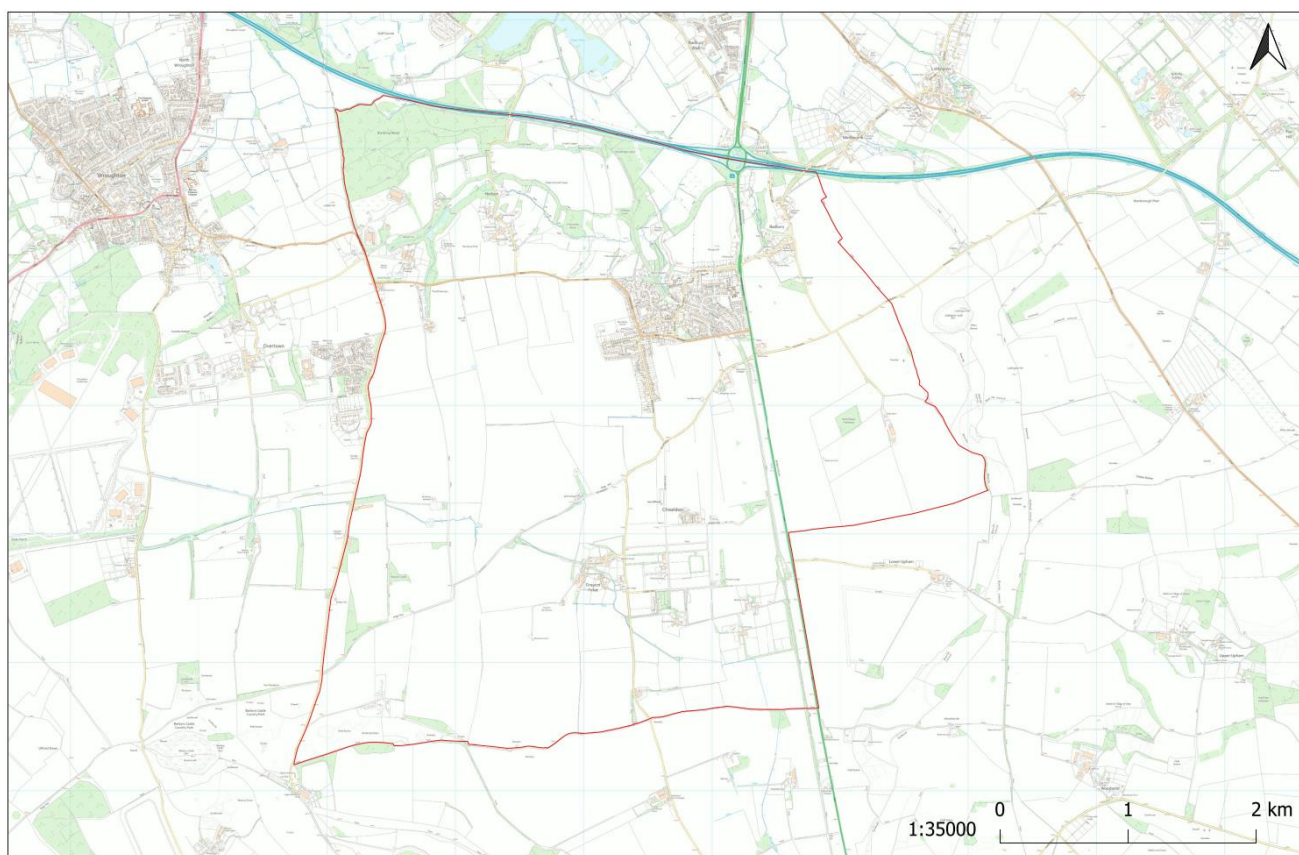


- 2.5 The 2011 Parish boundaries were not included in the 2001 Census data therefore the following composite set of areas was chosen to make up the area of the 2001 parish. Again, this does not exactly match the current parish boundary but represents the best available statistical proxy to the NA.
- E01015588 Lower Layer Super Output Area (LSOA)
  - 00HXNN0003 Output Area (OA)
  - 00HXNW0002 (OA)
  - 00HXNW0003 (OA)
- 2.6 The statistics show that in the 2011 Census the NA had a total of 2,667 residents, formed into 1,066 households and occupying 1,099 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Chiseldon is 4,205 – indicating population growth of around 1,538 individuals since 2011 representing a substantial population growth of around 58%.
- 2.7 The completions data<sup>1</sup> provided by Swindon Borough Council show that there have been 18 net new dwellings since the 2011 Census. This indicates very modest population growth since 2011, certainly much smaller than predicted by the ONS population estimates indicating the ONS to be inaccurate. It is worth noting that the mid-2020 population figure is only an estimate, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
2. A map of the Plan area appears below in Figure 2-2.

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<sup>1</sup> Email of 12/10/2022 from SBC Planning dept.

**Figure 2-2: Map of the Chiseldon Neighbourhood Area<sup>2</sup>**



Source: [www.Swindon.gov.uk](http://www.Swindon.gov.uk)

## The Housing Market Area Context

- 2.8 Whilst this HNA focuses on the Chiseldon neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Chiseldon, the parish sits within the functional housing market area which is centred on Swindon<sup>3</sup>. This means that when households who live in this area move home, the vast majority move within this geography. The relevant Strategic Housing Market Assessment (SHMA) concluded that Swindon and Wiltshire form a “best fit” to four housing market areas: Swindon, Chippenham, Trowbridge and Salisbury. Chiseldon falls within the Swindon Housing Market Area (HMA) which encompasses all of Swindon Borough, Marlborough and Royal Wootton Bassett. This HMA broadly align with the Swindon/ M4 Functional Economic Market Area (FEMA). The south west of the HMA also overlaps the A350 and West/ Central Wiltshire Towns FEMA<sup>4</sup>.
- 2.9 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Chiseldon, are closely linked to other areas. In the case of Chiseldon, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. The NA is subject to development pressures due to high

<sup>2</sup> Available at [www.swindon.gov.uk](http://www.swindon.gov.uk)

<sup>3</sup> [Swindon & Wiltshire Strategic Housing Market Assessment \(SHMA\) 2017](#)

<sup>4</sup> [Swindon & Wiltshire Joint Spatial Framework Issues Paper \(Nov. 2017\)](#)

land values, its close proximity to Swindon and being on the M4 link between London to Bristol.

2.10 In summary, Chiseldon functions within a wider strategic area. As well as fostering good working relationships with the local planning authority Swindon Borough Council (SBC), 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 can play 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

2.11 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>5</sup> In the case of Chiseldon, the relevant adopted Local Plan for Swindon Borough consists of:

- Swindon Borough Local Plan 2026 which adopted in March 2015 and provides the planning policy framework for the whole of Swindon Borough, up to 2026.
- SBC is undertaking a Local Plan review and is expected to commence public consultation on the revised pre-submission draft between December 2022 and February 2023. Once adopted the Swindon Borough Local Plan 2036 will replace the Swindon Brough Local Plan 2026.

## Policies in the adopted local plan

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

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<sup>5</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

**Table 2-1: Summary of relevant adopted policies in the Swindon Borough Local Plan 2026.**

Policy	Provisions
SD2 The sustainable Development Strategy	<p>Development will be concentrated in Swindon within its urban areas and strategic sites. Outside Swindon rural development will be located at Highworth and Wroughton. South Marston will be extended through strategic site allocation. Development in other villages will be supported in proportion to the existing settlement size and function within the rural settlement boundaries, or on land allocated in a Neighbourhood Plan or DPD where it delivers the quantum of development identified in the Plan and responds to local needs. Development in rural and countryside locations outside the rural settlement boundaries will be permitted where it meets certain criteria such as meeting locally identified need, supporting expansion of tourist and visitor facilities or it is in conformity with policies within the Plan permitting specific development in the countryside.</p> <p>The policy allocates a total of 119.5 ha of employment land and <i>not less than</i> 22,000 dwellings between 2011 and 2026.</p> <p>At least 100 dwellings are to be allocated in ‘Other villages’ – This would include the Chiseldon.</p>
Paragraph 3.26	<p>States that outside strategic allocations the Local Plan sets an approximate number of dwellings of, appropriate scale, within the spatial strategy. The Neighbourhood Planning process allows the additional allocation of specific numbers of dwellings above that set in the Plan where this has been tested through the NP process and the plans proceed to adoption by SBC.</p> <p>Highworth and Wroughton are identified as the main focus for development within the rural area. The paragraph adds that the remaining villages such as Chiseldon have some supporting facilities but lack core services particularly employment and leisure.</p>
LN1 Local and Neighbourhood Planning	<p>Supports the preparation of Neighbourhood Plans and Neighbourhood development Orders (NDO). The policy states that should NPs/ NDOs <i>‘not be commenced to bring forward sufficient allocations of local housing development in conformity with this Plan, or sufficient developer proposals for such housing development not have been approved within the first five years of the plan period, the Borough Council will seek to identify such sites through any subsequent DPDs’</i>.</p>

<b>Policy</b>	<b>Provisions</b>
HA2 Affordable Housing	All developments of 15 homes or more or on sites larger than 0.5 ha to provide (subject to viability) 30% affordable homes.

*Source: Swindon Borough Local Plan 2026*

## **Policies in the emerging local plan**

2.13 Table 2-2 below summarises emerging Local Plan<sup>6</sup> policies that are relevant to housing need and delivery in Chiseldon.

**Table 2-2: Summary of relevant emerging policies in the Swindon Borough Plan 2036**

<b>Policy</b>	<b>Provisions</b>
SP2 The Spatial Strategy	<p>Land for at least 21,100 dwellings to be allocated over the period 2018-2036</p> <p>Development to be concentrated at Swindon</p> <p>Outside Swindon development to be located primarily within Highworth and Wroughton. South Marston is to be extended as part of strategic New Eastern Villages allocation.</p> <p>At other villages development will be supported in proportion to the size and function of existing settlements.</p> <p>Development will not be supported outside settlement boundaries and strategic allocations.</p> <p>42 dwellings allocated at Land at Hodson Rd. Chiseldon.</p>
LA22 Land east of Hodson Road, Chiseldon	Allocates site in Chiseldon for residential development of about 42 dwellings.
DM6 Affordable Housing	<p>On all major developments outside Swindon town centre:</p> <p>10% of dwellings to be provided as on-site affordable home ownership housing and 20% of dwellings proposed should be provided as affordable / social rented housing. This is subject to viability considerations.</p>

<sup>6</sup> Swindon Borough Local Plan 2036 Revised Submission Draft July 2021



## Quantity of housing to provide

2.14 The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.15 SBC has fulfilled that requirement by providing Chiseldon with a definitive figure of 42 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.<sup>7</sup> This represents the total allocation in the latest revision of the emerging local plan which allocates the Land east of Hodson Road site for 42 dwellings.

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<sup>7</sup> As confirmed in the Swindon Borough Local Plan 2036 Revised Submission Draft July 2021

## 3. Approach

### Research Questions

- 3.1 The following research questions were formulated at the outset of the research through discussion with Chiseldon Parish Council. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

- 3.2 The CNDP Steering Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
- 3.3 This evidence will allow Chiseldon Parish Council (CPC) to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
- 3.4 The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership). Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

### Type and Size

- 3.5 The CNDP Steering Group is seeking to determine what size and type of housing would be best suited to the local community. Recent developments in the NA have attracted relatively high prices and this is preventing families from moving into suitably sized accommodation. Older people in larger homes currently have limited options if they wish to downsize to smaller, more manageable homes.
- 3.6 The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
- 3.7 While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
- 3.8 Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Relevant Data

3.9 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- 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 Home.co.uk;
- Local Authority housing waiting list data; and
- Swindon and Wiltshire Strategic Housing Market Assessment 2017 (SHMA)
- Swindon Borough council & Wiltshire Council Local Housing Needs Assessment 2019 (LHNA)

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

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

***RQ1: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

- 4.1 This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
- 4.2 Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
- 4.3 The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as '*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers; and which complies with one or more of the following definitions*'<sup>8</sup>. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

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<sup>8</sup> Available here -

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

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

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

4.4 As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.<sup>9</sup> Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

- 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);

<sup>9</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

## Current tenure profile

- 4.5 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.
- 4.6 Table 4-2 presents data on tenure in Chiseldon compared with Swindon and England from the 2011 Census, which is the most recent available source of this information.
- 4.7 The data shows a higher proportion of owner occupiers (72%) in the NA compared to the wider borough (66%) and the national average for England (63%). The private rented sector (11%) is markedly smaller in Chiseldon than the in two wider geographies (16-17%). The social rented is smaller in the NA (15%) compared to Swindon (16%) and England (18%). The relatively low proportions of social and private rents potentially limit the ability of lower income households to reside in the parish.
- 4.8 SBC's housing completions data show there have been 18 new dwellings (net as of April 2022) delivered in the parish since the 2011 Census. There are commitments (applications with extant planning permissions) for a further 82 dwellings (two schemes of 77 and 5 dwellings). None of the above include affordable homes.
- 4.9 There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the full results are released in 2023. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Chiseldon the private rented sector expanded by 97%, a higher rate than the national average (82%)

but almost half the corresponding rate for the wider borough (191%). All tenures remained relatively unchanged apart from the social rented sector which declined by 2.5% compared to a growth of 12% in the wider borough and a decline of 14.6% for England as a whole. Notably the shared ownership tenure grew substantially (188%) in the borough but remained unchanged (0%) in Chiseldon.

**Table 4-2: Tenure (households) in 2011 – various geographies**

Tenure	Chiseldon	Swindon	England
Owned	72.2%	65.5%	63.3%
shared ownership	0.2%	1.3%	0.8%
Social rented	14.7%	16.3%	17.7%
Private rented	11.4%	16.0%	16.8%

Sources: Census 2011, AECOM Calculations

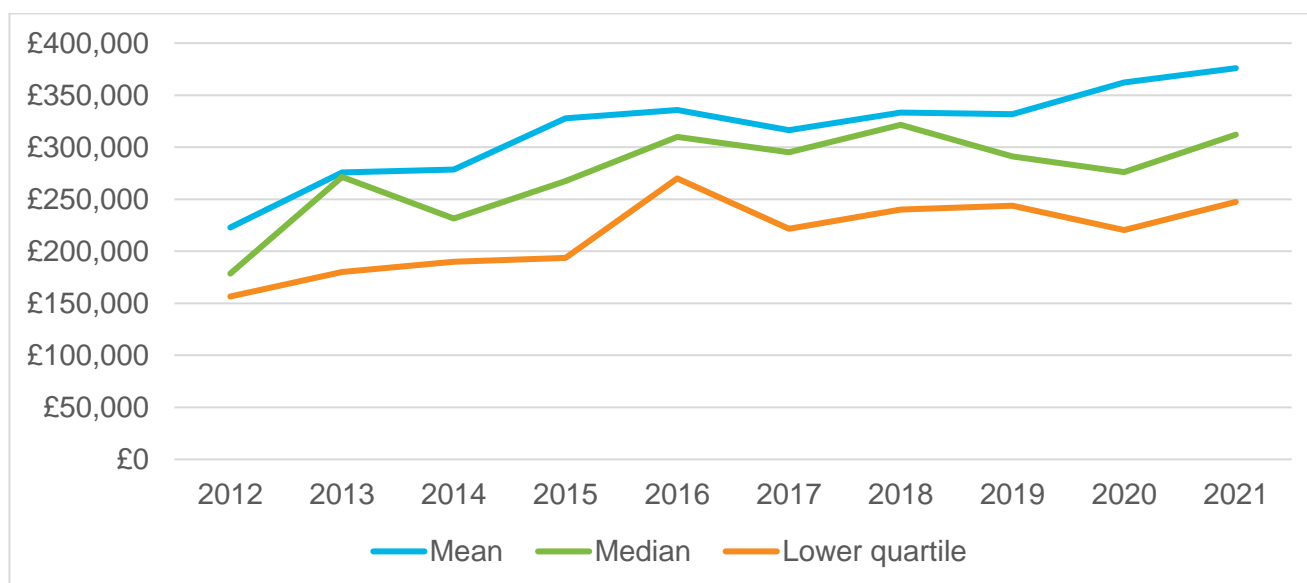
**Key message: home ownership is the most common tenure in the NA, at higher levels than Swindon and England. Chiseldon’s social rented sector is marginally smaller than Swindon’s whilst the private rented sector is significantly under represented compared to the wider geographies.**

## Affordability

### House prices

- 4.10 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.
- 4.11 Figure 4-1 looks at the average and lower quartile house prices in Chiseldon based on sales price data published by the Land Registry. It shows that prices have generally risen over the long term despite some year-on-year fluctuations. The mean, median and lower quartile have followed a similar trend line, ending 69%, 75% and 58% higher in 2021 than 2012. There is a £64,500 (or 26%) price differential between the lower quartile property price (currently £247,500) and the median price (£312,000).
- 4.12 The mean value (£375,939) is derived by adding all the price paid data and then dividing by the total number of properties whereas, the median (£312,000), is the middle value when the data is ordered from smallest to largest. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. The mean and median values for the Chiseldon are 32% and 33% higher than the corresponding values for Swindon indicating generally higher property prices in the parish than in the wider borough.

**Figure 4-1: House prices by quartile in Chiseldon, 2012-2021**



Source: Land Registry PPD

4.13 Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that terraced properties have seen the greatest price growth (74%) followed by semi-detached (60%) and detached (53%) properties. Flats appear to have decreased in value, however, there were only two transactions in 2021, both atypically low in value hence the apparent fall in the price of flats. The data for the 9 years up to 2020 shows that flats have increased in value by 19%. Overall, property prices have grown by a substantial 75% (all types) over the decade.

**Table 4-3: Median house prices by type in Chiseldon, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£264,000	£325,000	£350,000	£437,500	£375,000	£397,500	£426,250	£397,500	£590,000	£405,000	53.4%
Semi-detached	£170,000	£179,998	£189,000	£215,000	£272,500	£265,750	£260,000	£275,000	£270,000	£272,500	60.3%
Terraced	£151,500	£185,000	£210,000	£160,750	£320,000	£180,000	£230,000	£253,500	£173,500	£264,000	74.3%
Flats	£143,500	-	£158,000	-	-	£218,000	£187,500	£168,250	-	£89,000	-38.0%
<b>All Types</b>	<b>£178,500</b>	<b>£271,500</b>	<b>£231,500</b>	<b>£267,500</b>	<b>£310,000</b>	<b>£295,000</b>	<b>£321,500</b>	<b>£291,000</b>	<b>£276,000</b>	<b>£312,000</b>	<b>74.8%</b>

Source: Land Registry PPD

**Key message: between 2012 and 2021, there was significant house price growth in the NA, at 75% for median house prices and 58% for lower quartile (entry-level) house prices.**

## Income

4.14 Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

4.15 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower



earners). The average total household income locally was £45,700 in 2020. A map of the area to which this data applies is provided in Appendix A.

- 4.16 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Swindon Borough's gross individual lower quartile annual earnings were £17,718 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,436.
- 4.17 It is clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## **Affordability Thresholds**

- 4.18 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.
- 4.19 AECOM has determined thresholds for the income required in Chiseldon to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
- 4.20 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. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
- 4.21 The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.
- 4.22 Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that

households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £45,700	Affordable on LQ earnings (single earner)? £17,718	Affordable on LQ earnings (2 earners)? £35,436
<b>Market Housing</b>						
Median House Price	£280,800	-	£80,229	No	No	No
Estimated NA New Build Entry-Level House Price	£273,930		£78,266	No	No	No
LQ/Entry-level House Price	£222,750	-	£63,643	No	No	No
LA New Build Median House Price	£260,096	-	£74,313	No	No	No
Average Market Rent	-	£14,724	£49,080	No	No	No
Entry-level Market Rent	-	£11,088	£36,960	Yes	No	Marginal
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£191,751	-	£54,786	No	No	No
First Homes (-40%)	£164,358	-	£46,959	Marginal	No	No
First Homes (-50%)	£136,965	-	£39,133	Yes	No	No
Shared Ownership (50%)	£136,965	£3,805	£51,815	No	No	No
Shared Ownership (25%)	£68,483	£5,707	£38,589	Yes	No	No
Shared Ownership (10%)	£27,393	£6,848	£30,654	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£6,683	£22,255	Yes	No	Yes
Social Rent	-	£5,000	£16,649	Yes	Yes	Yes

Source: AECOM Calculations

4.23 Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform the CNDP 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.

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

### Market housing for purchase and rent

4.25 Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to afford 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 43% higher than the current average.

4.26 Average private rents are generally only affordable to higher earners. Entry-level rents are affordable to average earning households and marginally affordable to dual lower quartile earners. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

## Affordable home ownership

4.27 None of the three income categories can readily afford to buy or rent average rental property in Chiseldon. There is a relatively large group of households who can afford to rent entry-level property but are unable afford average rents or to buy their own home. They are typically earning between £36,960 per year (at which point entry-level rents become affordable) and £63,643 (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.

4.28 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.

4.29 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It appears that a 30% discounted First Home would not be affordable to average earning household, whilst a 40% discount would make First Homes marginally affordable. The maximum 50% discount would be required to make First Homes comfortably affordable to average earning households.

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

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	43%	78%	56%
NA Estimated New Build Entry-Level House Price	42%	77%	55%
NA Entry-Level House Price	28%	72%	44%
LA Median New Build House Price	39%	76%	52%

Source: Land Registry PPD; ONS MSOA total household income

- 4.31 Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>10</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 4.32 The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
- 4.33 The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options where these can be offered at sufficient discounts.
- 4.34 These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
  - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.
- 4.35 In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

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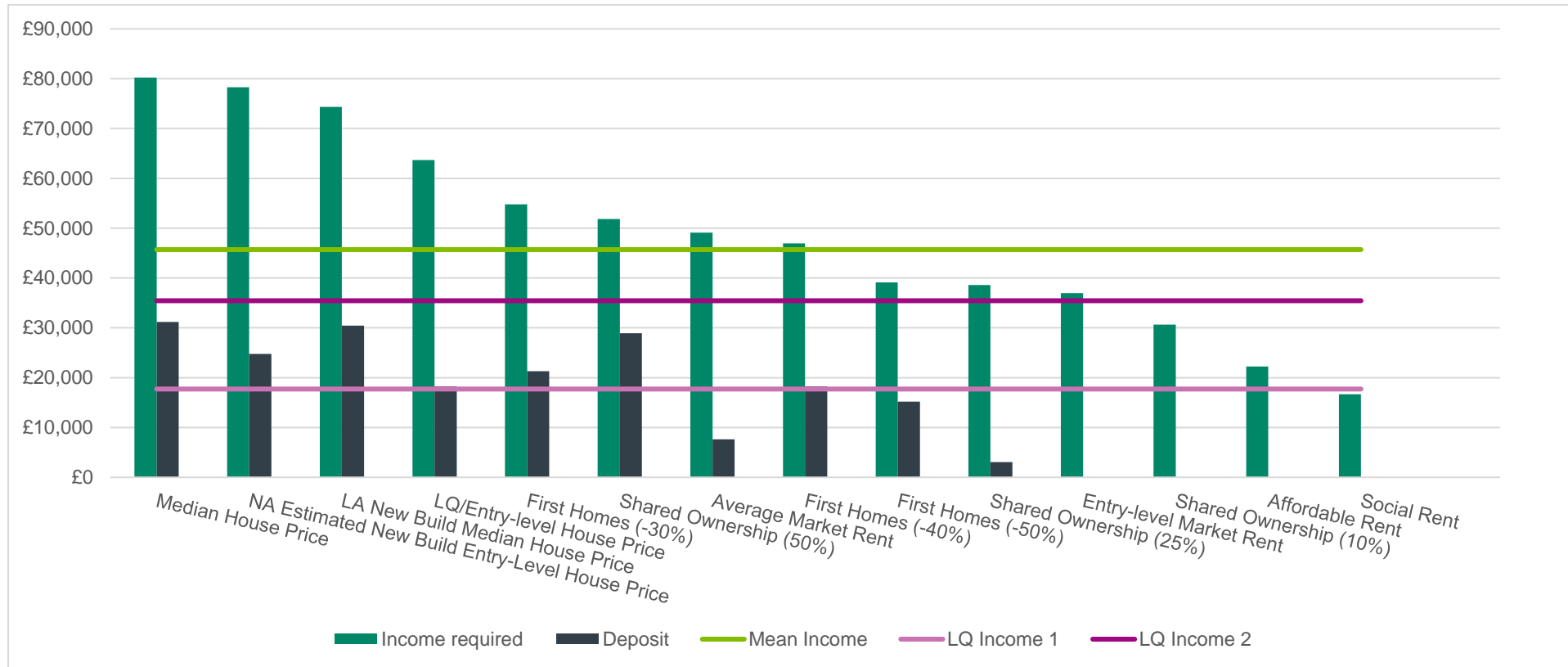
<sup>10</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

## Affordable rented housing

- 4.36 Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, of the tenures considered, social rented housing is the only affordable option for households with a single lower earner. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
- 4.37 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Chiseldon as the only option for a large segment of those in the greatest need. Social rents are cheaper and could therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. However, 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.

**Key message: purchasing market housing (including entry level homes) is out of reach to most households other than higher earners or those with home equity and/ or savings. Therefore, affordable home ownership products would help extend access to home ownership in Chiseldon. The affordable rented sector plays a vital role as the only option for a large segment of those in the greatest need.**

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



Source: AECOM Calculations

## Affordable housing- quantity needed

- 4.38 The starting point for understanding the need for affordable housing in Chiseldon is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Swindon Borough Council and Wiltshire Council in 2017. This study estimates the need for affordable housing in the housing market area based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA calculated an objectively assessed housing need for Swindon which identified a need for 425 additional affordable homes each year in Swindon Brough as a whole<sup>11</sup>. Around 78% of this is for affordable rents and 22% for intermediate ownership tenures.
- 4.39 Pro-rating the SHMA figures to Chiseldon, based on its fair share of the population (1.3% of Swindon's population), produces 5.5 homes per annum (predominately for social/affordable rent) or 77 affordable homes over the CNDP period (2022-2036). Applying the SHMA tenure split to this figure produces a requirement for 4.3 affordable rented units per annum (60 over CNDP period) and 1.2 affordable home ownership dwellings per annum (17 over the CNDP period).
- 4.40 However, pro-rating borough level estimates of affordable housing need to rural areas presents problems in practice. The borough level figures are likely to represent higher needs in the urban areas of the borough where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in largely rural areas like Chiseldon the lack of social housing means there is limited need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing).
- 4.41 There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet any identified Affordable Housing needs, though there are tools available to the CNDP Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
- 4.42 It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the NP group.

## Affordable Housing policy guidance

- 4.43 Swindon's adopted policy on this subject HA2 (Affordable Housing) requires 30% of all new housing on developments of 15 or more dwellings or on sites larger than 0.5 ha in area, to be affordable. Given that no Affordable Housing has been delivered in Chiseldon over the last decade according to SBC's completions figures, it is understood that this target is not usually met on sites in the NA.

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<sup>11</sup> Source: [SHMA Figure 70](#).

- 4.44 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA, drawing on the SHMA, finds there to be evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
- 4.45 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Chiseldon specifically.
- 4.46 The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Chiseldon requires roughly 60 units of affordable rented housing and 17 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures is based on the SHMA proposed split of 78% Affordable rents and 22% affordable ownership tenures. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 78% to 22% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

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

If the Local Plan target of 30% were achieved on every site, up to around 13 affordable homes might be expected in the NA. If the majority of Chiseldon's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 15 dwellings above which the Affordable Housing policy would apply. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This is not sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given the historic delivery rates and expected future delivery based on Chiseldon's HRF, it is reasonable to assume that supply will be limited, and affordable rented accommodation should be prioritised. The 78% rented



22% ownership guideline mix in the SHMA may offer an appropriate benchmark.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Swindon borough, where 30% of all housing should be affordable, 33.3% of Affordable Housing should be for affordable ownership. This does not conform to the 78% affordable rents to 22% affordable ownership split identified in the SHMA.

Based on the findings of this HNA, delivery of 10% or more of homes as affordable home ownership tenures would impact on the ability to deliver social/affordable rented homes in Chiseldon.

- D. **Local Plan policy:** The emerging local plan policy DM6 (Affordable Housing) requires all major developments (outside Swindon's town centre) to provide 10% affordable home ownership housing and 20% affordable/social rents. This suggests a split of 67% affordable housing for rent (20% of the 30% overall affordable housing quota) and the remaining 33% as affordable home ownership tenures.

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

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This is not case in the case of Swindon where emerging policy (policy DM6) requires 67% affordable rents.

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

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Swindon, the remaining 75% of the affordable housing provision would then be apportioned 67% to affordable rent and 33% to affordable home ownership (in accordance with policy DM6). If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied

on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
  - G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The CNDP SG may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
  - H. **Existing tenure mix in Chiseldon:** evidence suggests there is very limited Affordable Housing (either to rent or for sale) within the NA at present. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
  - I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
  - J. **Wider policy objectives:** the CNDP Steering Group may wish to take account of broader policy objectives for Chiseldon and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
- 4.47 On the basis of the considerations above, Table 4-6 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Development Plan policy.
- 4.48 This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented housing is likely to be prioritised. The SHMA guideline mix of 78% rented to 22% ownership appears to offer a suitable benchmark, but to accommodate the 25% First Homes requirement mandated nationally, a mix of 75% rented to 25% ownership tenures (in the form of First Homes) would be required.
- 4.49 This tenure split would not give any scope to deliver other forms of affordable home ownership. As such, if the CNDP develops a policy on tenure mix, the Steering Group (SG) may wish to consider how far other products (specifically

shared ownership) might be desirable. In order to deliver other forms of affordable home ownership, assuming 25% First Homes is delivered as part of the mix, policy would need to allow for a higher proportion of affordable home ownership within the tenure mix.

- 4.50 This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
- 4.51 Where the CNDP SG wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with SBC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
- 4.52 Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

**Table 4-6: Indicative tenure split (Affordable Housing) for Chiseldon**

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>33%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	8%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>67%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

**Key message: This HNA estimates a need for 77 affordable homes over the CNDP period, drawing on the SHMA. The tenure split in the emerging Local Plan of 10% affordable home ownership and 20% affordable rented (i.e. 67% rented; 33% ownership within a 30% overall quota) would appear an appropriate starting point in the NA.**

## Conclusions- Tenure and Affordability

### Affordability issues

- 4.53 Chiseldon's current tenure mix reveals a very high rate of home ownership (72%) compared to wider averages and a corresponding lack of Affordable Housing and private rented options (despite a 97% increase in the latter category between 2011 and 2011).
- 4.54 Home values in the parish have increased substantially over the last decade with the value of an average home (mean) now 69% higher than it was in 2012. An entry-level home currently costs £247,500 with a median home costing 26% more at £312,000. The stock is currently dominated by detached and semi-detached properties which make up around 83% of the stock. There are relatively few terraced homes and flats in the parish. This means that there are relatively few opportunities for those with lower budgets.

### Tenure options

- 4.55 AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people. The average household income in Chiseldon is £45,700, and the lower quartile income (per person) was £17,718 in 2020.
- 4.56 It was found that local households on average incomes are unable to afford 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 43% higher than the current average.
- 4.57 Average private rents are generally only affordable to higher earners. Entry-level rents are affordable to average earning households and marginally affordable to dual lower quartile earners. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
- 4.58 Entry-level market rental property is unaffordable to single lower earning households, who must therefore either apply for affordable rented housing (marginally affordable) and social rents or remain in the private rented sector while relying on housing benefit or other support.

- 4.59 None of the three income groups can readily afford to buy or rent average rental property in Chiseldon. There is a relatively large group of households who can afford to rent entry-level property but are unable afford average rents or to buy their own home. They are typically earning between £36,960 per year (at which point entry-level rents become affordable) and £63,643 (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.
- 4.60 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It appears that a 30% discounted First Home would not be affordable to average earning household, whilst a 40% discount would make them marginally affordable. The maximum 50% discount would make First Homes comfortably affordable to average earning households.
- 4.61 All of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.
- 4.62 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Chiseldon as the only option for a large segment of those in the greatest need. Social rents are cheaper and could therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc.

## **Quantity of Affordable Housing needed**

- 4.63 Pro-rating the SHMA figures to Chiseldon, based on its fair share of the population (1.3% of Swindon's population), produces 5.5 homes per annum (predominately for social/affordable rent) or 77 affordable homes over the CNDP period (2022-2036). Applying the SHMA tenure split to this figure produces a requirement for 4.3 affordable rented units per annum (60 over CNDP period) and 1.2 affordable home ownership dwellings per annum (17 over the CNDP period). These figures give a reasonable guide to the potential scale of need for Affordable Housing in Chiseldon.

## **Policy considerations**

- 4.64 Swindon's adopted policy on this subject (HA2) requires developments of 15 dwellings and over (or sites larger than 0.5 ha) to contribute 30% affordable homes. Given that no Affordable Housing has been delivered in Chiseldon over the last decade according to SBC's completions figures, it is understood that this target is not usually met on sites in the NA.
- 4.65 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be potential need for Affordable Housing in Chiseldon, and every effort should be made to maximise delivery where appropriate.
- 4.66 The SHMA guideline mix of 78% rented to 22% ownership appears to offer a suitable benchmark, but to accommodate the 25% First Homes requirement mandated nationally, a mix of 75% rented to 25% ownership tenures (in the form

of First Homes) would be required. However, this would limit other forms of ownership tenures such as shared ownership homes. The emerging Local Plan (policy DM6) requires all major developments (outside Swindon's town centre) to provide 10% affordable home ownership housing and 20% affordable/ social rents. This suggests a split of 67% affordable housing for rent (20% of the 30% overall affordable housing quota) and the remaining 33% as affordable home ownership tenures.

- 4.67 On the balance of factors listed in the policy guidance section of this chapter, AECOM recommends that roughly 67% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 33% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for some shared ownership tenures to widen choice.
- 4.68 Table 4-7 summarises Chiseldon's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the CNDP (e.g. if the SG plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 4-7: Estimated delivery of Affordable Housing in Chiseldon**

	<b>Step in Estimation</b>	<b>Expected delivery<sup>12</sup></b>
A	Provisional capacity figure	42
B	Affordable housing quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	13
D	Rented % (e.g. social/ affordable rented)	67%
E	Rented number (C x D)	9
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	33%
G	Affordable home ownership number (C x F)	4

*Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix*

4.69 Applying the SHMA affordable housing need estimates to Chiseldon suggests a need for around 77 affordable dwellings over the CNDP period. There is currently a scheme with a planning permission for 77 dwellings at Burdrop House Bradbury Park which is expected to provide contribution for 25 offsite affordable homes. However, even if these are delivered, past affordable housing delivery and the HRF, mean that the expected level of delivery is unlikely to meet the quantity of demand identified. SBC advised that it currently has 10 customers on its housing waiting list with connections to Chiseldon. Therefore, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) be explored. If the SG considered exceeding the Local Plan policy requirement in the CNDP then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

4.70 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

<sup>12</sup> Numbers are rounded.

## 5. RQ 2: Type and Size

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

### Introduction

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

### Existing types and sizes

#### Background and definitions

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



can also exceed that of households in areas with large numbers of holiday or second homes.

- 5.7 As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. SBC were able to provide completions data since the 2011 Census, details pertaining to type and size of these dwellings were then ascertained by searching for the individual planning applications on SBC's website.
- 5.8 For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and Valuation Office Agency (VOA) can be used. However, VOA data is only available at LSOA/MSOA scale and there is no suitable match for the NA area, therefore SBC's completions data is used here instead with VOA data used for the wider geographies.

## Dwelling type

- 5.9 The 2011 Census data (Table 5-1) shows that Chiseldon's housing stock is dominated by detached (42%) and semi-detached (41%) properties with these categories making up over 80% of stock. This is followed by a much smaller proportion of terraced dwellings (14%) and flats (4%). Compared to Swindon and England, the NA has a higher proportion of detached and semi-detached homes with a correspondingly smaller proportion of terraced homes and very few flats.
- 5.10 The 2021 data, which is based on the 2011 Census and SBC's data for completions since the Census, give an identical picture with the same distribution observed in 2021 as in 2011. Though this is unsurprising given that there have been relatively few completions since 2011. Note that unlike VOA data which lists Bungalows as a separate category, the 2011 Census data incorporates bungalows within each of the other categories rather than independently.
- 5.11 Comparing the parish's housing stock to that of the wider borough and England (Table 5-2), shows the proportions of detached<sup>13</sup> (including bungalows) and semi-detached dwellings substantially larger than the corresponding proportions at borough and national levels. Notably the parish has a relatively small proportion of terraced properties (14%), at around half the national average. Flats make up less than 4% of stock in Chiseldon which is around a fifth of the corresponding level for the borough. The relatively small proportion of terraced housing and flats, which tend to be more affordable to buy or rent, may limit choice in the market with potentially adverse impacts on affordability, particularly for lower income households, first time buyers and young families.

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<sup>13</sup> The 2011 Census data does not have a separate category for bungalows, including them instead within each of the other categories.

**Table 5-1: Accommodation type, Chiseldon, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (2011 Census+Completions)
Bungalow	-	-
Flat	3.8%	3.8%
Terrace	13.5%	13.6%
Semi-detached	40.6%	40.6%
Detached	42.0%	42.0%
Unknown/other	-	-

Source: ONS 2011, VOA 2021, AECOM Calculations

**Table 5-2: Accommodation type, various geographies<sup>14</sup>, 2021**

Dwelling type	Chiseldon	Swindon	England
Bungalow	-	6.8%	9.2%
Flat	3.8%	18.8%	23.7%
Terrace	13.6%	33.5%	26.1%
Semi-detached	40.6%	22.5%	23.7%
Detached	42.0%	17.9%	15.8%
Unknown/other	-	0.4%	1.4%

Source: VOA 2021, AECOM Calculations

**Key message: Detached and semi-detached dwellings dominate the housing stock in Chiseldon with these forming a much larger proportion of stock than for Swindon and England. Flats and terraces form a much smaller proportion of stock than across Swindon and England.**

## Dwelling size

5.12 Table 5-3 presents the 2011 Census mix and the 2021 mix extrapolated from the addition of SBC's completions data (between 2011 and 2021) for comparison.

5.13 The Census data shows that Chiseldon's stock was dominated by 3 bedroom homes (48%) with larger (4 bedroom) properties forming the next most popular category (21%) followed by smaller (2 bedroom) properties (17%). The smallest (1 bedroom) properties make up just under 6% of the stock whilst large (5 bedroom plus) dwellings make up 9% of stock. The current mix as derived by adding up the Census and SBC completions data is identical to the 2011 distribution.

5.14 Therefore, new homes built in the NA since 2011 have continued to favour the existing size distribution with a relatively balanced mix favouring medium-sized properties (as is the case nationwide). The balance between larger (than 3 bedroom) and smaller (than 3 bedroom) properties favours larger homes.

<sup>14</sup> Source of Swindon and England figures are VOA data. These are rounded to the nearest 10 in each dwelling category.

**Table 5-3: Dwelling size (bedrooms), Chiseldon, 2011 and 2021**

Number of bedrooms	2011 (Census)	Completions 2011 to 2021 (SBC data)	Current mix (2011 Census + SBC data)
Studio	0.0%	0	0.0%
1	5.8%	1	5.8%
2	16.5%	0	16.2%
3	48.0%	10	48.1%
4	21.0%	4	21.0%
5+	8.6%	4	8.8%
Unknown	-	-	-
<b>Total</b>	<b>100%</b>	<b>18<sup>15</sup></b>	<b>100%</b>

Source: ONS 2011, VOA 2021, AECOM Calculations.

5.15 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country (Table 5-4). The NA's housing stock has a substantially higher proportion of medium (3 bedroom) properties (48%) than the national average (43%). Larger properties (4 bedrooms and over) are over represented in the NA (30%) compared to the wider borough (16%) and national average (16%). There is a substantially smaller proportion of 1 and 2 bedroom dwellings (totalling 22%) compared the to the wider borough (39%) and the national average (40%). The largest category (5 bedrooms plus) is markedly larger in Chiseldon than the in wider geographies.

**Table 5-4: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Chiseldon	Swindon	England
1	5.8%	11.2%	12.6%
2	16.2%	27.5%	28.4%
3	48.1%	45.3%	43.0%
4	21.0%	13.7%	12.1%
5+	8.8%	2.2%	3.3%

Source: VOA 2021, AECOM Calculations

5.16 The implication of low availability of smaller properties is a challenge in terms of affordability, particularly for newly forming households. There may also be a relative lack of smaller homes to which older households may wish to downsize, causing them to remain in larger homes than they want for longer. This will be explored further in relation to over and under occupancy below.

**Key message: the 2021 dwelling mix is dominated by mid-sized 3-bedroom dwellings, to a higher extent than the comparator areas. There is a greater proportion of larger dwellings in the NA than across the wider borough. Smaller 1-2 bedroom homes are significantly underrepresented in Chiseldon compared to the wider geographies. The lack of smaller dwellings adversely impacts affordability in the parish.**

<sup>15</sup> One dwelling was replacement to an existing one therefore net new dwellings total 18.

## Age and household composition

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

### Age structure

5.18 Table 5-5 shows the age structure of Chiseldon's population using the 2011 Census data. This shows the 45-64 age group being the largest cohort (31%) followed by the 25-44 cohort (21%). The 65 plus age groups constituted 22% of the population. This can be cross checked with the 2021 Census data when it becomes available (in 2023).

**Table 5-5: Age structure of Chiseldon's population, 2011 Census.**

Age group	2011 (Census)	
0-15	472	18%
16-24	228	9%
25-44	551	21%
45-64	830	31%
65-84	492	18%
85 and over	94	4%
Total	2,667	100%

Source: ONS 2011

5.19 Table 5-6 presents the changes in the proportion of each of the age groups in Chiseldon and the wider geographies between 2001 and 2011. This shows that the 85 and over age group grew by 71%, a markedly higher rate than the corresponding rates at borough and national levels. The next oldest group (65-84) also grew at a faster rate (23%) in Chiseldon than in the wider geographies. This is accompanied by declines in some of the younger groups (1-15 and 25-44) in the NA. Overall, the intercensal data shows a rapidly ageing population structure in Chiseldon.

**Table 5-6: Change of the population age structure between 2001 and 2011 for the various geographies**

Age group	Chiseldon	Swindon	England
0-15	-12.4%	9.6%	1.2%
16-24	25.3%	23.7%	17.2%
25-44	-19.3%	7.4%	1.4%
45-64	12.5%	31.9%	15.2%
65-84	22.4%	12.8%	9.1%
85 and over	70.9%	45.3%	23.7%

Source: ONS 2001, ONS 2011, AECOM calculations

5.20 The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. It is also important to note that the 2011 parish area was larger than the current area as the boundary

changed in 2017 to exclude the area north of the M4. That said, the 2011 Census remains the most accurate basis to use.

5.21 The most recent 2021 census data (Table 5-7) for Swindon borough (data not yet available at NA level) shows the borough has experienced an 11.6% population growth since the 2011 Census. The data shows the older age groups growing the fastest with the 65-84 and 85 plus cohorts collectively growing by a substantial 55% whilst other groups grew at lower rates and the 15-24 cohort declined by 4%. It is likely that Chiseldon’s population would have experienced a similar pattern of change since the 2011 Census.

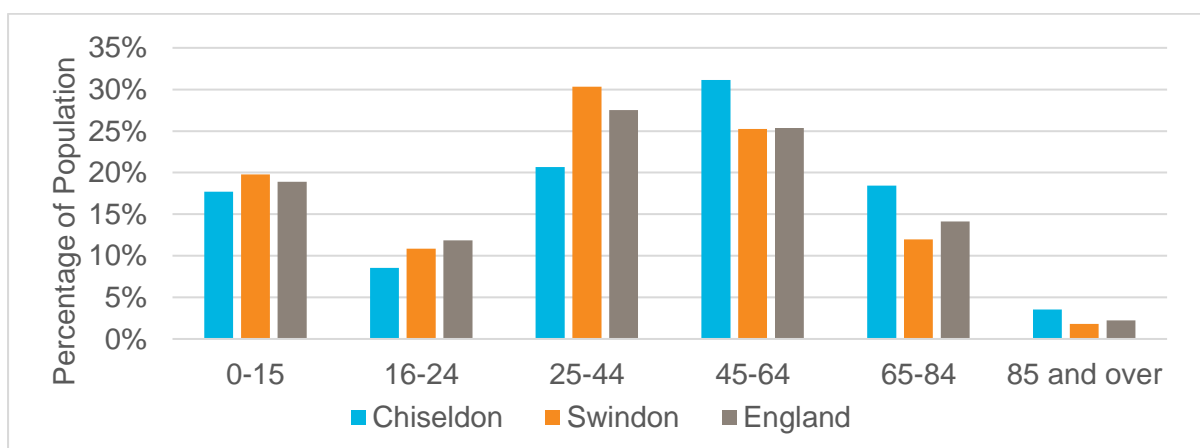
**Table 5-7: Age structure & change of Swindon’s population, 2011 and 2021**

Age group	2011 Census		2021 Census		% Change
	Count	%	Count	%	
0-14	38,789	18.5%	43,600	18.7%	12.4%
15-24	25,283	12.1%	24,300	10.4%	-3.9%
25-44	63,413	30.3%	66,300	28.4%	4.6%
45-64	52,817	25.3%	62,300	26.7%	18.0%
65-84	25,059	12.0%	32,300	13.8%	28.9%
85+	3,795	1.8%	4,800	2.1%	26.5%
Total	209,156	100.0%	233,600	100%	<b>11.6%</b>

Source: ONS 2011 & 2021, AECOM calculations

5.22 For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Chiseldon was characterised by a relatively older population with a higher proportion of the three oldest age groups (45-64, 65-84 and 85 plus) and a correspondingly lower representation of the three youngest cohorts (0-15, 16-24 and 25-44).

**Figure 5-1: Age structure in Chiseldon, 2011**



Source: ONS 2011, AECOM Calculations

**Key message: Chiseldon has an ageing population profile with older age groups growing at faster rates than younger ones. The parish’s population is aging at a faster rate than the wider borough’s and England’s.**

## Household composition

- 5.23 Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Development Plan period. Table 5-7 shows that Chiseldon has a much lower proportion of single person households compared to Swindon borough and the national average. There is a greater proportion of older (65 plus) family households in the parish than in the wider geographies. Of those younger than 65 the balance between families with and without children favours those with children. In summary, there are comparatively fewer people living alone in Chiseldon and there are more older family households.
- 5.24 The proportion of 'other' households i.e. those with multiple household groups such as multigenerational families, housing in multiple occupation (HMOs) and other house share situations sits at a relatively low 5%, though this form of accommodation increased by 22% since the 2001 Census. Other intercensal trends include a 16% increase in family households aged 65 and over (contrasts with regional and national declines) and a decline (-7%) in the 65 plus single person households (as is the case nationally).
- 5.25 Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 37% in Chiseldon<sup>16</sup>, a much higher rate of growth than that observed in the wider geographies (17% for Swindon and 11% for England).

**Table 5-7: Household composition - various geographies 2011**

Household composition		Chiseldon	Swindon	England
<b>One person household</b>	<b>Total</b>	21.3%	29.6%	30.2%
	Aged 65 and over	11.7%	10.2%	12.4%
	Other	9.6%	19.4%	17.9%
<b>One family only</b>	<b>Total</b>	73.5%	63.5%	61.8%
	All aged 65 and over	12.0%	7.1%	8.1%
	With no children	23.0%	19.6%	17.6%
	With dependent children	27.0%	28.3%	26.5%
	With non-dependent children <sup>17</sup>	11.5%	8.5%	9.6%
<b>Other household types</b>	<b>Total</b>	5.2%	6.9%	8.0%

Source: ONS 2011, AECOM Calculations

<sup>16</sup> Based on the change in this category between the 2001 and 2011 Censuses.

<sup>17</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

## Occupancy ratings

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

5.27 Table 5-8 shows that in Chiseldon a combined 81% of households live in a home with at least one bedroom more than they would be expected to need with 51% having two or more extra bedrooms. Only 1% of households have too few bedrooms. Couples under 65, living without children, tend to under-occupy the most (79% have 2 or more surplus bedrooms) followed by the 65 and over family households (73% have 2 or more surplus bedrooms). Over occupancy is only observed for younger family households with dependent children albeit at a relatively low 2%. The data shows a degree of correlation with age and whether households include children. This might suggest that larger housing is not 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.

**Table 5-8: Occupancy rating by age in Chiseldon, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	73.4%	20.3%	6.3%	0.0%
Single person 65+	56.8%	25.6%	17.6%	0.0%
Family under 65 - no children	78.8%	17.1%	4.1%	0.0%
Family under 65 - dependent children	28.5%	39.2%	30.2%	2.1%
Family under 65 - adult children	28.5%	50.4%	21.1%	0.0%
Single person under 65	50.0%	29.4%	20.6%	0.0%
All households	51%	30%	18%	1%

Source: ONS 2011, AECOM Calculations

**Key message: under-occupancy dominates in Chiseldon, especially amongst older households and those without children. There is also a small amount of overcrowding in family households. The provision of smaller dwellings to facilitate downsizing, where older households choose to do this, may help to rebalance this.**

## Dwelling mix determined by life-stage modelling

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

- The starting point is the age distribution of Chiseldon households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
  - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.



5.29 It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

5.30 The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

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

5.32 The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Swindon borough in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

5.33 The second dataset of note is the result of applying Local Authority level household projections to the age profile of Chiseldon households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with a projected growth rate of 81% for the oldest households and 32% for the next oldest group while all other age groups decline or remain

unchanged. The number of households aged 65 and over is expected to increase by 621 to become by far the largest demographic group at 44% of the total population.

**Table 5-8: Projected distribution of households by age of HRP, Chiseldon**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	11	67	427	219	342
2036	9	63	429	289	621
% change 2011-2036	-19%	-6%	0%	32%	81%

Source: AECOM Calculations

**Key message: young households tend to occupy the smallest dwellings, before taking up larger homes as their families expand, and then gradually downsizing as they age. The rapidly aging population in the NA is expected to continue, with an 81% increase in the proportion of households with a HRP aged 65 plus over the plan period.**

5.34 The final result of this exercise is presented in Table 5-9. The model suggests that any new residential development would best address the changing needs of the local population by focusing on smaller (1-2 bedroom) and mid-sized homes (3 bedroom). This is also borne out by the CNDP housing needs survey which showed a large (45%) preference for 2 bedroom homes.

5.35 The model suggests that new construction should help to boost the supply of smaller homes if the type of development is considered appropriate in terms of character and density. Too many additional large homes should be avoided because there are already more than the population is expected to need, not even accounting for the extensions to existing properties that do not appear in this data. While already the most common, 3-bedroom properties are likely to continue to be needed as generally the most popular option among many groups. SBC's housing register shows that 3 bedroom properties are most in demand followed by 2 bedroom homes.

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

Number of bedrooms	Current mix (2011)	Target mix (2036)	Balance of new housing to reach target mix
1 bedroom	5.8%	12.2%	27.0%
2 bedrooms	16.5%	24.7%	42.4%
3 bedrooms	48.0%	45.2%	30.6%
4 bedrooms	21.0%	14.7%	0.0%
5 or more bedrooms	8.6%	3.2%	0.0%

Source: AECOM Calculations

**Key message: The model used to predict future size needs suggest an emphasis on smaller and medium sized homes. This would help address some of the affordability and under-occupancy issues in the parish. The final recommended mix is 42% 2-bedrooms, 31% 3-bedrooms, and 27% 1-bedroom homes.**

- 5.36 It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
- 5.37 For example, the young starter families and downsizing older households mentioned above may both need ‘mid-sized’ homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
- 5.38 The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents’ budgets. Continuing to provide some smaller homes with fewer bedrooms would help to address this situation.
- 5.39 To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people’s requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
- 5.40 That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying

larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.

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

## The SHMA findings

- 5.42 The SHMA proposes two sets of size distributions one for market housing and one for affordable housing. These are combined into one in Table 5-10 below to show overall distribution proposed in the SHMA. The table shows the 3 bedroom size forms the largest (over half of the total) proportion of the SHMA recommended mix followed by 2 bedroom dwellings (around a quarter of new housing). Slightly more 4 bedroom (12%) units are proposed than 1 bedroom ones (10%). Larger 5 bedroom plus properties make only 2% of the recommended mix. However, this mix takes in the Swindon urban area where it might be expected that some larger homes are needed to offer wider choice in this area.

**Table 5-10 SHMA derived mix for Swindon up to 2036**

Target mix (2036)	Target mix for new housing provision in Swindon up to 2036
1 bedroom	10%
2 bedroom	24%
3 bedroom	52%
4 bedroom	12%
5+ bedroom	2%

## Conclusions- Type and Size

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

## The existing housing stock

- 5.44 Chiseldon's housing stock is dominated by detached and semi-detached housing which make up a substantially higher proportion of stock compared to the levels in the wider borough and the national average. There is a correspondingly smaller

proportion of terraced properties and very few flats compared to the wider geographies. This is similar to other rural villages across the Country.

5.45 In terms of dwelling size, Chiseldon has a relatively balanced housing stock with 3 bedroom homes being the most common size (around 48%) with larger (4 bedroom) properties forming the next most popular category (21%) followed by smaller (2 bedroom) properties (17%). The smallest (1 bedroom) properties make up just under 6% of the stock whilst large (5 bedroom plus) dwellings make up 9% of stock. Compared to the wider borough and the parish has a bigger proportion of larger homes. Development since 2011 has continued to produce medium to large dwellings (3-5 bedrooms). The lower proportion of smaller dwellings adversely impacts affordability in the NA.

## Demographics

5.46 The parish age structure of the population is a key indicator of the future need for housing. The 2011 Census data presented above demonstrates that Chiseldon has a generally older population profile than Swindon and England.

5.47 Applying the Local Authority level household projections to the age profile of Chiseldon's households suggests that by 2036 the oldest households could increase by 81% from 2011 levels to become by far the dominant group at 44% of the projected total, while the youngest age groups decline. It is clear that ageing will be a major driver of housing need in Chiseldon going forward. This will be impacted by whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.

5.48 Chiseldon has a much lower proportion of single person households compared to Swindon borough and the national average. There is a greater proportion of older (65 plus) family households in the parish than in the wider geographies. In summary, there are comparatively fewer people living alone in Chiseldon and there are more older family households.

5.49 There is a high rate of under-occupancy in the parish, with 81% of households living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census). Couples under 65, living without children, tend to under-occupy the most followed by the 65 and over family households. The percentage of people living in homes with fewer bedrooms than they might be expected to need is relatively small at 1%.

5.50 The previous chapter identified high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size, or by older people who have not chosen or be able to move to smaller properties. This latter point is confirmed when considering the data for different household types. Around 94% of couples aged over 65 have more bedrooms than they would be expected to need. Again, this is common across the country and not specific to Chiseldon.

## The future dwelling mix

5.51 The results a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the plan period, suggests that new development should help boost the supply of smaller homes if the type of development is

considered appropriate in terms of character and density. This is also borne out by the CNDP housing needs survey which showed a large (45%) preference for 2 bedroom homes. Too many additional large homes should be avoided because there is a bias towards these properties, not even accounting for the extensions to existing properties that do not appear in this data. While already the most common, 3-bedroom properties are likely to continue to be needed as generally the most popular option among many groups.

- 5.52 Small and mid-sized homes would improve affordability as well as the parish's offering for younger households who have few options for their next step on the property ladder. This is reflected in SBC's housing register which shows that 3 bedroom properties are most in demand followed by 2 bedroom units. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families.
- 5.53 To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
- 5.54 In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging some smaller dwellings which may include flats and terraces, and, on the other hand, preserving the features that residents appreciate about Chiseldon at present.

## 6. Next Steps

### Recommendations for next steps

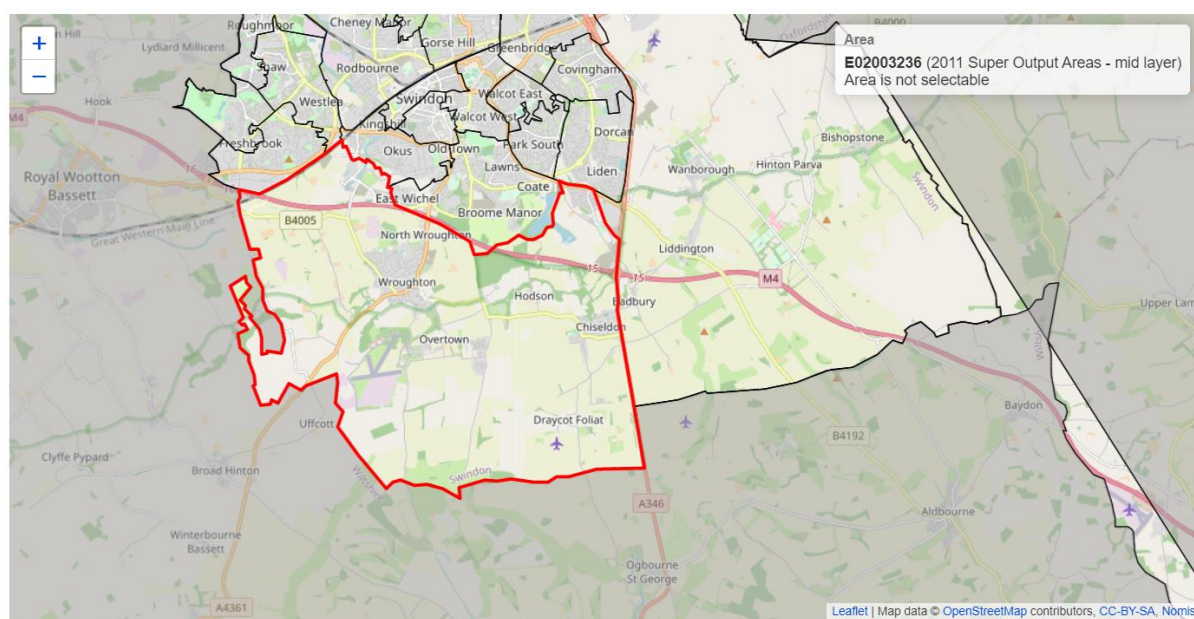
3. This Neighbourhood Plan housing needs assessment aims to provide Chiseldon with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the CNDP Steering Group should, as a next step, discuss the contents and conclusions with SBC with a view to agreeing 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 SBC;
  - 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 SBC.
4. 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.
5. Bearing this in mind, it is recommended that the Chiseldon Neighbourhood Development Plan Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, SBC or any other relevant party and review the Neighbourhood Development Plan accordingly to ensure that general conformity is maintained.
6. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Development Plan period will help ensure the continued relevance and credibility of its policies.

# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

7. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.
8. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Chiseldon, it is considered that MSOA E02003236 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02003236 appears in Figure A-1.

**Figure A-1: MSOA E02003236 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

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



thresholds, which denote the standard household income required to access mortgage products.

## A.2.1 Market sales

11. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
12. 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 Chiseldon, 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.
13. The calculation for the purchase threshold for market housing is as follows:
  - Value of a median NA house price (2021) = £312,000;
  - Purchase deposit at 10% of value = £31,200;
  - Value of dwelling for mortgage purposes = £280,800;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £80,229.
14. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £247,500, and the purchase threshold is therefore £63,643.
15. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records zero sales of new build properties in the NA in 2021. There were no sales in the NA specifically to determine an accurate average for the cost of new build housing in Chiseldon. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Swindon borough and new build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £304,367 and purchase threshold of £78,266.

16. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Swindon in 2021. The median cost of new build dwellings in 2021 was £288,995, with a purchase threshold of £74,313. This is slightly lower than the threshold calculated for the NA but remains unaffordable to average income households in Chiseldon.

## A.2.2 Private Rented Sector (PRS)

17. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
18. 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.
19. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the SN4 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
20. According to [home.co.uk](https://www.home.co.uk), there were 27 properties for rent at the time of search in September 2022, with an average monthly rent of £1,227. There were 7 two-bed properties listed, with an average price of £924 per calendar month.
21. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
  - Annual rent = £924 x 12 = £11,088;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £36,960.
22. The calculation is repeated for the overall average to give an income threshold of £49,080.

## A.3 Affordable Housing

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

## A.3.1 Social rent

24. 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.
25. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Chiseldon. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Swindon in the Table A-1.
26. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£80.97	£96.62	£110.41	£127.82	£96.15
Annual average	£4,210	£5,024	£5,741	£6,647	£5,000
Income needed	£14,021	£16,731	£19,119	£22,133	£16,649

Source: Homes England, AECOM Calculations

## A.3.2 Affordable rent

27. 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).
28. 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%.
29. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Swindon. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
30. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 57% of market

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

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

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£101.05	£121.46	£151.48	£189.23	£128.52
Annual average	£5,255	£6,316	£7,877	£9,840	£6,683
Income needed	£17,498	£21,032	£26,230	£32,767	£22,255

Source: Homes England, AECOM Calculations

### A.3.3 Affordable home ownership

31. 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.
32. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

#### First Homes

33. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
34. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £304,367.
35. 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) = £304,367;
  - Discounted by 30% = £213,057;
  - Purchase deposit at 10% of value = £21,306;
  - Value of dwelling for mortgage purposes = £191,751;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £54,786.

36. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £46,959 and £39,133 respectively.
37. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
38. 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<sup>18</sup>) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Chiseldon.

### **Shared ownership**

39. 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'.
40. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
41. 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).
42. The affordability threshold for a 25% equity share is calculated as follows:
  - A 25% equity share of £304,367 is £76,092;
  - A 10% deposit of £7,609 is deducted, leaving a mortgage value of £68,483;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,566;

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<sup>18</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £228,275;
  - The estimated annual rent at 2.5% of the unsold value is £5,707;
  - This requires an income of £19,023 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £38,589 (£19,566 plus £19,023).
43. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £30,654 and £51,815 respectively.
44. None of the above income thresholds exceed the £80,000 cap for eligible households.

### **Rent to Buy**

45. 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)**

46. 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.
47. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

## **Affordable Housing (NPPF Definition)**

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

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>19</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>20</sup>**

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

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<sup>19</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>20</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>



## **Co-living**

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

## **Community Led Housing/Community Land Trusts**

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

## **Community Right to Build Order<sup>21</sup>**

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

## **Concealed Families (Census definition)<sup>22</sup>**

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

## **Equity Loans/Shared Equity**

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

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<sup>21</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>22</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

## **Extra Care Housing or Housing-With-Care**

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

## **Fair Share**

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

## **First Homes**

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

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

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

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

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

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

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>23</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

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

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

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

## **Overcrowding**

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

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<sup>23</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>24</sup>**

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

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<sup>24</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>



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

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

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

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

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>25</sup>

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<sup>25</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

