

Kingsclere

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

BDBC	Basingstoke and Deane Borough 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
LA	Local Authority
LDP	Local Development Plan
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LQ	Lower Quartile
LSOA	Lower Layer Super Output Area
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RES	Rural Exception Sites
RQ	Research Question
SHMA	Strategic Housing Market Assessment
SHOP	Strategic Housing for Older People
VOA	Valuation Office Agency

1. Executive Summary

1. Kingsclere is a Neighbourhood Area located in the local authority area of Basingstoke and Deane. The Neighbourhood Area boundary covers the areas administered by Kingsclere Parish Council.
2. The Office for National Statistics mid-2020 population estimate for Kingsclere is 2,963 individuals, showing a decrease of 201 individuals since the 2011 Census.
3. There has been some development in Kingsclere since 2011, with Basingstoke and Deane providing completions data from 2011 to 2022 which showed the development of 35 gross (19 net) dwellings. The total quantity of dwellings in the NA is therefore estimated to be 1,476 dwellings. As of September 2022, outstanding commitments total six dwellings.
4. This Executive Summary details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.
5. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

Research Questions

Findings of RQ 1: Tenure, Affordability and the Need for Affordable Housing

Tenure Profile

6. At the time of the 2011 Census, Kingsclere's tenure profile largely aligned with that of Basingstoke and Deane. Home ownership was the most common tenure in Kingsclere, significantly exceeding the national average. The proportion of households living in shared ownership dwellings in the NA was marginal, less than half the level found in the wider borough. The level of social rented homes was found comparable across all three geographies. In contrast, Kingsclere had a relatively lower share of private rented homes compared to the borough and national averages.

House Prices

7. In terms of house prices, there has been a steady increase in values between 2012 and 2021. The greatest change can be seen in the mean house price, which grew by 55.6% from £269,272 in 2012 to £418,948 in 2021. The lower quartile price increased by 47.2%, whilst the median price growth was lower at 29.3%.

8. Looking at the median price for each individual house type, detached dwellings experienced the greatest growth at 75.5%, significantly higher than the average recorded across all types. Terraced houses experienced the next highest growth at 55.5%, followed by flats at 43.1%. Semi-detached experienced the lowest growth at 35.4%.

Affordability Thresholds

9. Households on average incomes (£56,300) cannot access median or entry-level market homes. The median house price would require an annual income nearly double the current average. Therefore, market housing is likely to remain out of reach to most.
10. Private renting is generally only accessible to those on average incomes. Therefore, Rent to Buy may be a viable route to affordable home ownership to those earning above average incomes but with low savings for a deposit, although this is likely to be out of reach for those on lower incomes.
11. The income required to afford First Homes has been tested against the implications of 30%, 40% and 50% discount levels. Discounts of 40% and 50% appear most effective at bringing new entry-level homes within reach of the average earning household (£56,300), whilst the purchase threshold for 30% discount (£56,847) is only marginally higher than the average income. In terms of lower earners, the purchase threshold for First Homes at a 50% discount (£40,605) is only marginally higher than the average dual lower quartile household income (£39,924). A discount of well over 50% would be required in order for single lower quartile earners to be able to access discounted market sales.
12. It is recommended that any future First Homes in Kingsclere are delivered at a 50% discount, subject to viability. This level of discount appears to extend homeownership to the widest proportion of the population.
13. Shared ownership appears to be more affordable than First Homes. While the income threshold for a 10% equity shared ownership home may be within the reach of lower quartile earners, 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. Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Kingsclere, who can afford few other options.

Affordable housing- quantity needed

14. When Basingstoke and Deane's Strategic Housing Market Assessment (SHMA) figures are pro-rated to Kingsclere based on its fair share of the population (1.67% of LPA's population), Kingsclere can be assumed to have a need for approximately 5 (5.29 rounded) affordable homes per annum or approximately 90 (89.9 rounded) homes over the Neighbourhood Plan period (2022-2039). Note, this figure may not accurately represent actual need in the NA but is a useful guide to the scale of need that is likely on the basis of the population size.
15. If the SHMA's suggested affordable rent / affordable home ownership split of 53.8% to 46.2% were applied to the Kingsclere figure this would result in 48 dwellings for affordable rent and 42 dwellings for affordable home ownership. Equating to 2.8 dwellings per annum

for affordable rent and 2.4 dwellings per annum for affordable home ownership

16. It is unlikely that the updated Neighbourhood Plan will be able to fully accommodate the Affordable Housing need identified here as this exceeds Kingsclere's current housing need figure of 50 dwellings, established in the adopted LDP. Assuming 40% of dwellings were built as affordable, to deliver 90 affordable dwellings a total of 225 dwellings would need to be built in the NA (approximately 13 dwellings per annum). This would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022.

Affordable Tenure Split

17. As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited.
18. Based on a list of considerations presented in the 'policy guidance' section of this chapter, AECOM recommend that an appropriate balance between affordable rented tenures and affordable home ownership within the Affordable Housing that comes forward on mainstream development sites would be 70% rent to 30% ownership. This complies with various minimum requirements mandated nationally and the adopted Local Plan guideline mix of 70% rented to 30%.

Findings of RQ 2: Type and Size

Existing Types and Sizes

19. 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.
20. According to Census 2011 data, the proportion of detached properties was comparable between Kingsclere and Basingstoke and Deane, both significantly exceeding the national level for this house type. The NA had a higher proportion of semi-detached properties and a lower proportion of terraced units compared to Basingstoke and Deane. Finally, Kingsclere had a higher proportion of flats compared to the borough, although both remain below the national level for this house type.
21. Valuation Office Agency (VOA) data suggests that Kingsclere has a comparatively high proportion of bungalows. Although it is not necessarily a given that bungalows are completely accessible (e.g. for an occupant using a wheelchair), the availability of bungalows may represent an appealing offering for older people and those with mobility challenges. In terms of size, Kingsclere's housing stock is weighted towards larger size homes. The NA has a particularly high share of four and more bedroom homes in comparison with Basingstoke and Deane and England. Conversely, there are lower proportions of smaller (one and two bed) dwellings compared to borough and national averages.

Age and Household Composition

22. At the time of the 2011 Census, the NA population was generally older than the borough and national averages. Between 2011 and 2020, the older population (65 and over) increased, whilst the remaining younger age groups experienced declines. The 45-64 age group represented the largest single age group in Kingsclere across 2011 and 2020. The largest proportional change is seen in the 85 and over age band, which increased by 42.3%.
23. In 2011 Kingsclere had a higher proportion of one person households and a lower proportion of family households when compared to the wider borough. Households aged 65 and over were more common in Kingsclere compared to the borough and national levels, reflecting the older age profile of the parish. Kingsclere had a slightly higher proportion of non-dependent children compared to Basingstoke and Deane.
24. Kingsclere has a high rate of under-occupancy: 77.5% of households lived in a home with at least one extra bedroom in 2011, with 44.5% living in a home with two or more extra bedrooms. The percentage of households living in homes with fewer bedrooms than they might be expected to need was low at 1.1%.

Suggested Future Dwelling Size Mix

25. 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 of all tenures might involve the following share of dwelling sizes:
- 0% as one bedroom,
 - 18.1% as two bedrooms,
 - 48.8% as three bedrooms,
 - 29.4% as four bedrooms, and
 - 3.7% as five or more bedrooms.
26. This modelling is a starting point for thinking about how best to address the more nuanced needs of the future population. The results suggest that there will be no need for further one-bedroom dwellings over the Neighbourhood Plan period.
27. It would be unwise for any new housing 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 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.

Findings of RQ 3: Specialist housing for older people

Current Supply

28. There are currently estimated to be around 270 people aged 75 or over living in Kingsclere. Applying borough-level projections to Kingsclere's population suggests that the 75+ population in the parish will increase from 8.5% of the total currently to 16.7% in 2039 – equivalent to 239 additional older individuals and a 108.6% growth rate for that age cohort.
29. There appears a total of 94 units of specialist accommodation in the NA at present, the majority are available for social rent for those in financial need, with a small proportion being offered for leasehold market purchase. This suggests that current provision is in the region of 271 units per 1,000 of the 75+ population.
30. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

Projections

31. The two methods of estimating the future need in Kingsclere produce a range of 74 to 88 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
32. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-6, the majority of the need, at 71.0%, is identified for specialist market housing compared to affordable. More need is identified for sheltered housing at 62.5% compared to 37.5% extra-care. The greatest sub-category of need was identified for market sheltered housing at 46.4% of the total need. However, this need is for individuals with less severe limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.
33. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning group is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
34. Adopted Local Plan policies CN1 and CN3 provide explicit encouragement for development to accommodate specific groups such as older people. Under these policies there is an expectation that 15% of all new housing (affordable and market) in the borough

will be accessible and adaptable by meeting requirement M4(2) of the Building Regulations. It should however be noted that Government is considering mandating M4(2) on newly erected dwellings, although changes to Building Regulations have not yet been made. The Local Plan doesn't set specific targets for the proportion of new housing that might be required for wheelchair users (Category M4(3)), although wheelchair adaptable or wheelchair accessible homes may be supported in lieu of M4(2) provision. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the borough falling into this category.

35. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
36. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
37. It is considered that Kingsclere's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Kingsclere entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Kingsclere, Basingstoke is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
38. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

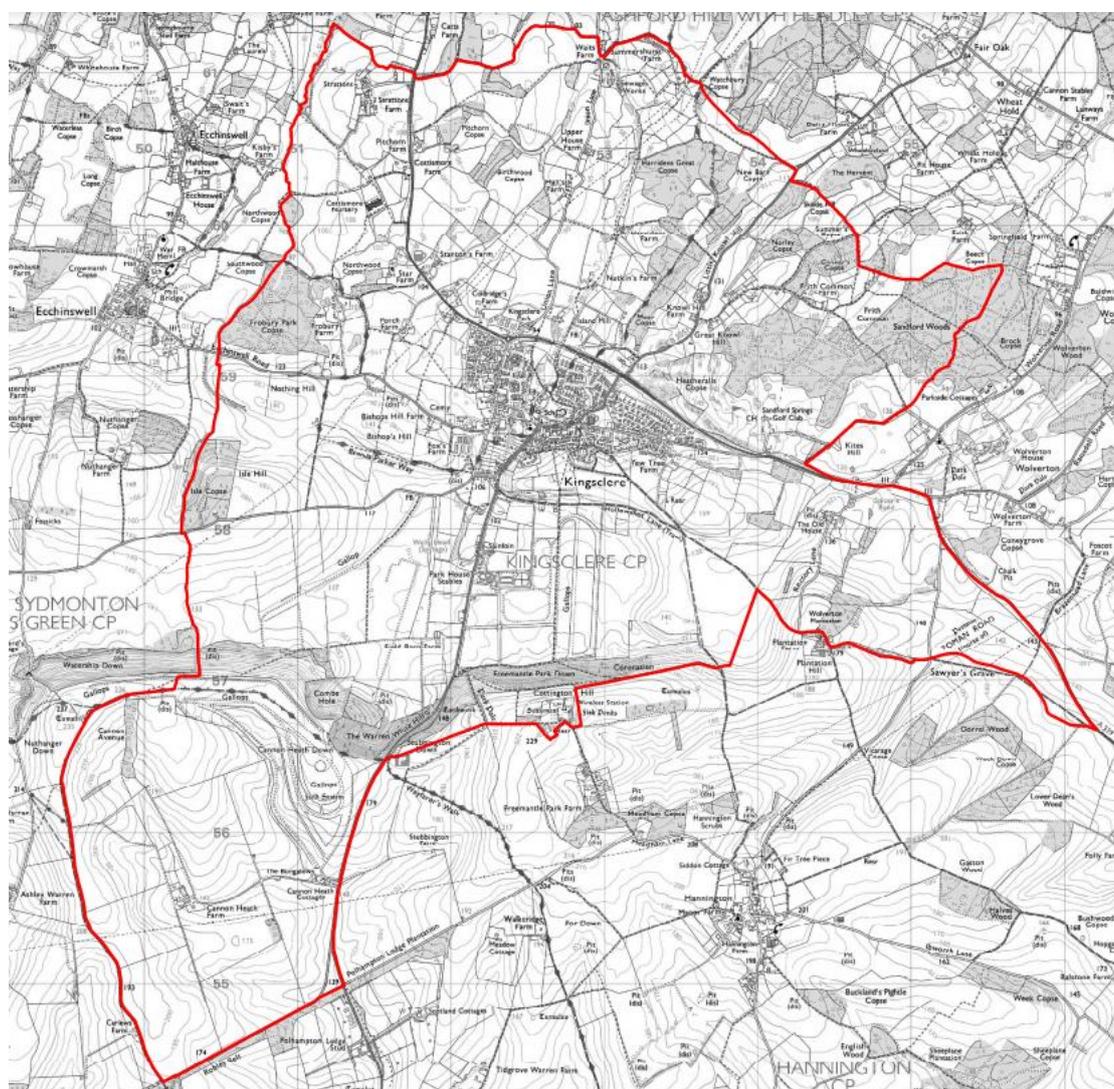
2. Context

Local context

39. Kingsclere is a Neighbourhood Area located in Basingstoke and Deane, in the South East of England.

40. The Kingsclere Neighbourhood Planning Group are currently undertaking a review of an existing Neighbourhood Plan, adopted by Basingstoke and Deane Borough Council (BDBC) on 18th October 2018. The Neighbourhood Area (NA) boundary which aligns with the Kingsclere parish boundary was designated on 24th July 2013. A map of the Plan area appears below in Figure 2-1.

Figure 2-1 Map of the Kingsclere Neighbourhood Area



Source: Basingstoke and Deane

41. The NA covers approximately 1,515 hectares of land located roughly equidistant between Basingstoke and Newbury. The village of Kingsclere forms the nucleus of the NA, located on the A339, 9 miles northwest of Basingstoke and 8 miles southeast of Newbury. Basingstoke and Newbury provide good transport connections via rail and road to London, Reading, Oxford, Winchester, Southampton and beyond.

42. The adopted Neighbourhood Plan period starts in 2011 and extends to 2029, comprising a planning period of 18 years. The updated Neighbourhood Plan is understood to run to 2039, in line with the latest known end date of the updated Local Plan. The evidence supplied in this report will look forward to the Plan end date of 2039, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
43. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs) and Super Output Areas (SOAs). OAs are the smallest unit, covering around 125 households, SOAs are built from groups of OAs and come in 3 layers (Lower, Middle and Upper). The Plan area equates to the following units, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
- OA E00114502
 - OA E00114503
 - OA E00114504
 - OA E00114505
 - OA E00114506
 - OA E00114507
 - OA E00114510
 - LSOA E01022521
44. The statistics show that in the 2011 Census the NA had a total of 3,164 residents, formed into 1,417 households and occupying 1,457 dwellings. Data provided by Basingstoke and Deane¹ indicates that 35 gross (19 net) dwellings have been completed within the NA between 2011 and 2022, with six (net) outstanding commitments at the time of writing.
45. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Kingsclere is 2,963 – indicating population decline of around 201 individuals since 2011. This would appear to follow a trend for declining population in the NA. Census data indicates that the number of residents in Kingsclere decreased by 146 people between 2001 and 2011.
46. The suggested population decline appears to contrast the growth expected in relation to the completions data, however, this may be a function of ageing as fewer people in total occupy a similar number of houses as children leave home and people pass away. It is worth noting that the ONS mid-year figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

¹ As provided in an e-mail from Jessica Wells, Planning Policy Officer, Basingstoke and Deane Borough Council, September 2022

The Housing Market Area Context

47. Whilst this HNA focuses on Kingsclere neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. In the case of Kingsclere, the parish sits within Basingstoke and Deane which can be considered as a self-contained housing market area (HMA)². There are relationships with neighbouring areas (i.e. West Berkshire, Hart and Test Valley), particularly in relation to migration and travel to work patterns. However, when households who live in Basingstoke and Deane move home, the vast majority move within the borough.
48. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Kingsclere, are closely linked to other areas. In the case of Kingsclere, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
49. In summary, Kingsclere functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Basingstoke and Deane), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

50. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of Kingsclere, the relevant adopted Local Plan for Basingstoke and Deane consists of:
 - Basingstoke and Deane Local Plan (2011 to 2029) (Adopted May 2016)
51. Basingstoke and Deane Borough Council is currently preparing an updated Local Plan. It is believed that the emerging local plan will have likely an end date of 2039.
52. An Issues and Options consultation for the emerging local plan was held between 28th September and 9th November 2020. The next key stage will be 'Regulation 18' consultation on the Draft Plan, due to be carried out in Autumn/Winter 2022 according to the council's local development scheme (published in May 2019)⁴. However, at a meeting of the council's cabinet on 6th September 2022, it was announced that consultation on the draft local plan will be postponed due to "significant concerns" about the proposed housing requirement based on the government's 'standard method' of assessing need.

² As noted in Basingstoke and Deane Borough Council - Strategic Housing Market Assessment Update - May 2015. Available at: <https://www.basingstoke.gov.uk/content/page/40054/Strategic%20Housing%20Market%20Assessment%20-%20May%202015.pdf> [Accessed: September 2022]

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

⁴ Available at: <https://www.basingstoke.gov.uk/LDS> [Accessed September 2022]

Policies in the adopted local plan

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

Table 2-1: Summary of relevant adopted policies in the Basingstoke and Deane Local Plan (2011 to 2029)

Policy	Provisions
Policy SS1 - Scale and Distribution of New Housing	Establishes a development target of 15,300 dwellings across Basingstoke and Deane between 2011 and 2029
Policy SS4 - Ensuring a supply of deliverable sites	The delivery of residential development will be managed to ensure a five-year supply of sites can be maintained over the plan period, with priority being given to development on appropriate brownfield sites.
Policy SS5 - Neighbourhood Planning	Establishes requirement to allocate at least 50 dwellings in and around the Kingsclere Settlement Policy Boundary (SPB).
Policy SS6 - New Housing in the Countryside	Seeks to restrict new housing in the countryside (outside the SPB), however, this policy recognises that there will be some limited circumstances where it is appropriate to allow new housing development in the countryside. The policy sets out a limited number of exceptions to be made to the general policy of restraint on housing in the countryside.
Policy CN1 - Affordable Housing	Establishes a 40% affordable housing requirement on all market housing sites. On-site provision will be expected for 5 or more net residential units. In exceptional circumstances off-site provision or financial contributions of equivalent value will be accepted. Development proposals of less than 5 net residential units will be required to pay financial contributions of equivalent value towards the provision of affordable housing in the borough.
	The tenure split of affordable homes will be 70% rented and 30% intermediate products.
	15% of affordable homes should meet enhanced accessibility or adaptability standards (M4(2) or M4(3)) to enable people to stay in their homes as their needs change.
Policy CN2 - Rural Exceptions	Provides for small-scale rural exception sites (RES) of affordable housing in locations where development would not normally be permitted. This policy allows for a proportion of market housing where

Policy	Provisions
for Affordable Housing	<p>this is required to enable delivery of the scheme on viability grounds and if no other sources of subsidy are available.</p> <p>RES proposals should not result in an isolated form of development and should be integrated into the existing community, and therefore be adjoining or in close proximity to existing settlements (as defined in the Local Plan) to minimise their impact upon the character and appearance of the countryside.</p>
Policy CN3 – Housing Mix for Market Housing	<p>Seeks a mix of market homes in terms of type and size, to address local requirements. Requires 15% of market homes to meet enhanced accessibility or adaptability standards to enable people to stay in their homes as their needs change.</p>
Policy CN4 – Housing for older people/Specialist housing	<p>Requires that where there is evidence of an identified unmet need in the local area and the location is acceptable in all other respects, new large scale residential developments (of approximately 200 or more units) should include specially designed housing/specialist accommodation to meet the needs of older people and people with support needs. Where the identified need is for specialised or supported affordable accommodation (for households who may or may not require adapted homes), this could meet all or part of the site's affordable housing requirement.</p>

Quantity of housing to provide

54. 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.
55. The Neighbourhood Planning Group are not currently in receipt of a housing requirement as the Local Plan is under review and decisions on allocations have not been published yet.
56. Although there is no formal housing requirement, the local housing need figure for the borough, as derived from the government's 'standard method' of assessing housing need, is currently 880 homes per annum (from March 2022), according to a "local plan update" report to the council's Economic Planning and Housing Committee⁵. An earlier report in September 2021⁶, advised that the local authority needed to deliver a total of 17,820 homes over an 18-year plan period but this was based on a previous local housing need figure of about 990 homes a year.

⁵ Available at: <https://democracy.basingstoke.gov.uk/documents/s28416/report.pdf> [Accessed: September 2022]

⁶ Available at: <https://democracy.basingstoke.gov.uk/documents/s25531/EPH%20-%20Spatial%20strategy%20report.pdf> [Accessed: September 2022]

57. On 6th September 2022, council leader Simon Bound announced that consultation on the draft local plan will be postponed due to “significant concerns” about the housing requirement based on the government’s ‘standard method’, allowing the council to work on alternative figures.
58. The question of how many houses to plan for is outside the scope of this Housing Needs Assessment, as discussed and agreed with the Parish Council. The issue of quantity has been excluded from the Research Questions (see Chapter 3). Therefore, a discourse has not been provided in this assessment on the overall quantity of homes to be delivered and conclusions drawn on what tenure and type or size of dwelling required can be used as a basis for housing policy in the Neighbourhood Plan which any planning application would be required to conform with.

3. Approach

Research Questions

59. The following research questions were formulated at the outset of the research through discussion with the Kingsclere Neighbourhood Planning Group. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

60. The neighbourhood planning 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. This evidence will allow Kingsclere 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.
61. The neighbourhood group are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

Type and Size

62. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. 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.
63. 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.
64. 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?

Specialist Housing for Older People

65. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Relevant Data

66. 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;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk);
- Valuation Office Agency (VOA) data on the current stock of housing
- Local Authority housing waiting list data; and
- Basingstoke and Deane Borough Council - Housing Market Assessment (September 2020).

67. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Home.co.uk and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

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

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

Introduction

68. 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.
69. 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.
70. 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'*⁷. The full document further outlines the tenures included in this definition. Those outlined Table 4-1 in would fall under this NPPF definition of Affordable Housing.

⁷ Available here -

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

Table 4-1 Breakdown of Affordable Housing tenures

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

71. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁸ 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);
- 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

72. 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.

73. Table 4-2 presents data on tenure in Kingsclere compared with Basingstoke and Deane and England from the 2011 Census, which is the most recent available source of this information.

74. Kingsclere's tenure profile largely aligns with that of Basingstoke and Deane. Home ownership is the most common tenure in Kingsclere, at a proportion that slightly exceeds

⁸ 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 borough average but significantly exceeds the national average. The amount of shared ownership in the NA is marginal, less than half the level found in the wider borough. The NA and wider borough have a similar provision of social rented properties, the levels are comparable to that found England as whole. Finally, Kingsclere has a relatively lower share of private rented homes compared to its wider geographies.

75. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Kingsclere shared ownership expanded by 166.7%, significantly higher than growth at a national level (30.0%) but lower than the growth at a borough level (183.4%). The private rental sector also expanded in the NA by 68.9%, although this is lower than the growth at the borough (125.7%) and national level (82.4%). There was a decline in owned (-4.0%) and social rented (-0.4%) tenures in Kingsclere, declines were also recorded for these tenures at the national level. This contrasts a growth in owned (4.3%) and social rented (14.9%) tenures across Basingstoke and Dean.

Table 4-2: Tenure (households), 2011

Tenure	Kingsclere	Basingstoke and Deane	England
Owned	68.8%	67.7%	63.3%
Shared ownership	0.6%	1.4%	0.8%
Social rented	18.4%	17.8%	17.7%
Private rented	8.8%	11.8%	16.8%

Sources: Census 2011, AECOM Calculations

Affordability

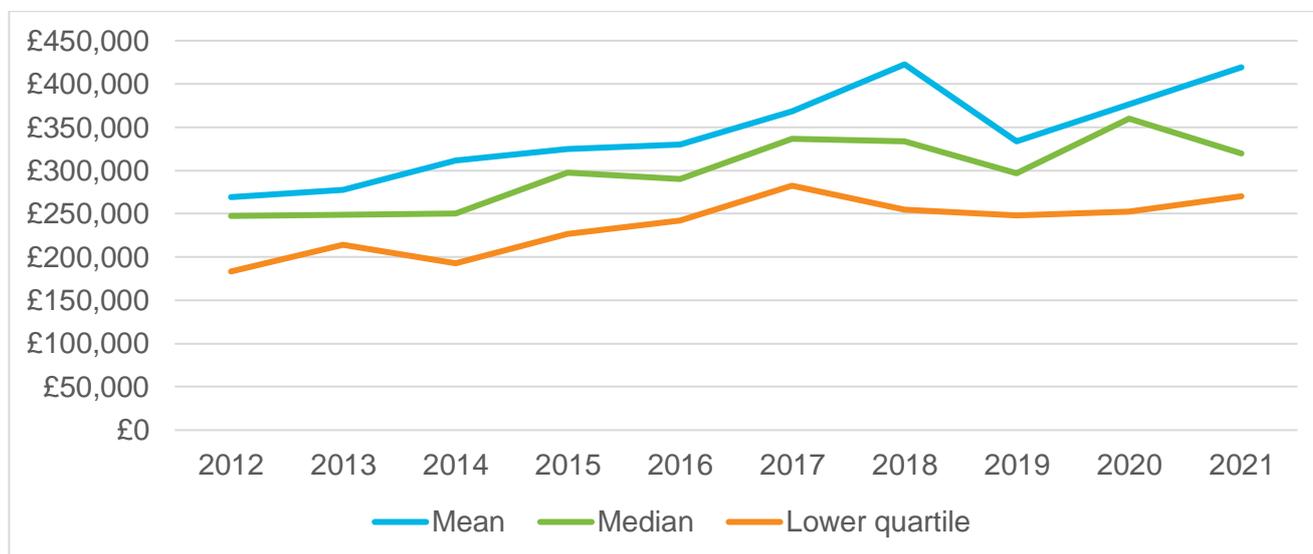
House prices

76. 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.

77. Figure 4-1 looks at the average and lower quartile house prices in Kingsclere based on sales price data published by the Land Registry. It shows that there has been an increase house prices. The mean, which captures the average of all house prices, both high and low, remains higher than the median throughout as the few outlying data points on the high end cause it to increase. The median remains lower as it is the middle number when the data is sorted from smallest to largest. By definition the lower quartile price, which represents the bottom 25% value of all properties sold, remains lower than both the median and mean prices.

78. The mean house price experienced the greatest growth over this period, increasing by 55.6% from £269,272 in 2012 to £418,948 in 2021. The lower quartile price increased from £183,375 in 2012 to £248,000 in 2021, indicating 47.2% growth. Median price growth was lower at 29.3%, increasing from £247,500 in 2012 to £320,000 in 2021.

Figure 4-1 House prices by quartile in Kingsclere, 2012-2021



Source: Land Registry PPD

79. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the greatest level of growth was in detached dwellings at 75.5%, significantly higher than the average recorded across all types. Terraced houses experienced the next highest growth at 55.5%, followed by flats at 43.1%. Semi-detached experienced the lowest growth at 35.4%.

Table 4-3 Median house prices by type in Kingsclere, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£367,500	£345,000	£431,250	£435,000	£460,000	£420,000	£512,500	£552,500	£475,000	£645,000	75.5%
Semi-detached	£247,500	£248,000	£270,000	£316,000	£323,000	£338,000	£357,500	£306,500	£341,250	£335,000	35.4%
Terraced	£187,750	£209,000	£200,000	£239,950	£274,475	£282,500	£259,000	£279,950	£287,000	£292,000	55.5%
Flats	£124,000	£125,000	£131,500	£153,000	£167,000	£182,500	£199,975	£165,000	£163,750	£177,500	43.1%
All Types	£247,500	£248,500	£250,000	£297,500	£289,975	£336,500	£334,000	£297,000	£360,000	£320,000	29.3%

Source: Land Registry PPD

Income

80. 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.

81. 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 £56,300 in 2018. A map of the area to which this data applies is provided in Appendix A.

82. 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. Basingstoke and Deane's gross individual lower quartile annual earnings were £19,962 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £39,924.
83. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

84. 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.
85. AECOM has determined thresholds for the income required in Kingsclere 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.
86. 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.
87. 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.
88. 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.
89. 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.
90. Rising interest rates will also have an impact on affordability, as this can affect a borrower's ability to meet their repayments. However, given the variation in available

mortgage products and individual circumstances we were not able to factor the impact of increasing interest rates within our affordability calculations. It's clear that different assumptions would alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.

91. 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.

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

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £56,300	Affordable on LQ earnings (single earner)? £19,962	Affordable on LQ earnings (2 earners)? £39,924
Market Housing						
Median House Price	£288,000	-	£82,286	No	No	No
Estimated NA New Build Entry-Level House Price	£284,233		£81,209	No	No	No
LQ/Entry-level House Price	£243,000	-	£69,429	No	No	No
LA New Build Median House Price	£347,396	-	£99,256	No	No	No
Average Market Rent	-	£16,872	£56,240	Yes	No	No
Entry-level Market Rent	-	£13,188	£43,960	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£198,963	-	£56,847	Marginal	No	No
First Homes (-40%)	£170,540	-	£48,726	Yes	No	No
First Homes (-50%)	£142,116	-	£40,605	Yes	No	Marginal
Shared Ownership (50%)	£142,116	£3,948	£53,764	Yes	No	No
Shared Ownership (25%)	£71,058	£5,922	£40,041	Yes	No	Marginal
Shared Ownership (10%)	£28,423	£7,106	£31,807	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£7,637	£25,430	Yes	No	Yes
Social Rent	-	£5,967	£19,870	Yes	Yes	Yes

Source: AECOM Calculations

93. 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 Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every

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

Market housing for purchase and rent

94. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 37.5% higher than the current average.
95. Private renting is generally only affordable to those on average incomes. Households made up of two lower quartile earners cannot afford the given rental thresholds. 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

96. There is a relatively large group of households in Kingsclere who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £43,960 per year (at which point entry-level rents become affordable) and £69,429 (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.
97. 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.
98. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. First Home discounts of 40% and 50% appear most effective at bringing new entry-level homes within reach of the average earning household (£56,300), whilst the purchase threshold for 30% discount (£56,847) is only marginally higher than the average income. In terms of lower earners, the purchase threshold for First Homes at a 50% discount (£40,605) is only marginally higher than the average dual lower quartile household income (£39,924). In order for single lower quartile earners to be able to access discounted market sales, a discount of well over 50% would be required.
99. It is recommended that any future First Homes in Kingsclere are delivered at a 50% discount, subject to viability. This level of discount appears to extend homeownership to the widest proportion of the population.
100. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new

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

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	32%	76%	51%
NA Estimated New Build Entry-Level House Price	31%	75%	51%
NA Entry-Level House Price	19%	71%	42%
LA Median New Build House Price	43%	80%	60%

Source: Land Registry PPD; ONS MSOA total household income

101. Shared ownership appears to be 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.⁹ 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.
102. 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.
103. 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 (i.e. £56,240). On that basis, Rent to Buy would generally be less affordable than First Homes and shared ownership.
104. 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.

⁹ 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/hws48>.

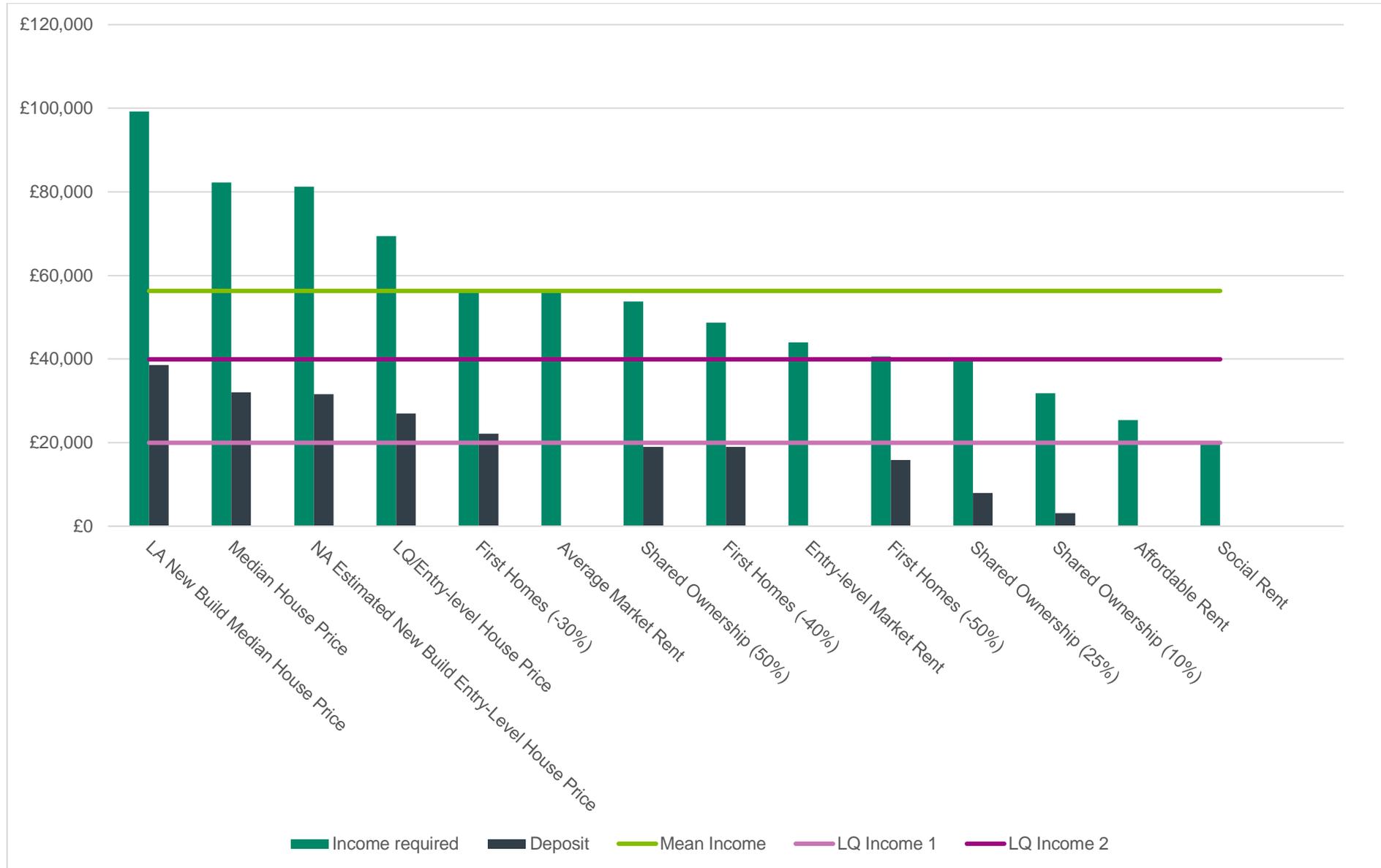
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to 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.

105. 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.

Affordable rented housing

106. 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, households with a single lower earner appear unable to afford any of the tenures, other than socially rented units. Individuals unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
107. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Kingsclere as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

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



Source: AECOM Calculations

Affordable housing- quantity needed

108. The starting point for understanding the need for affordable housing in Kingsclere is the relevant strategic Housing Market Assessment. A Housing Market Assessment was undertaken for Basingstoke and Deane in September 2020¹⁰. This study (hereafter referred to as “the SHMA”) estimates the need for affordable housing in the Borough based on analysis of the Council’s housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the net need for 317 additional affordable homes each year across Basingstoke and Deane as a whole. This total encompasses the need for both affordable homes for rent and for sale, the two are not disaggregated further in the SHMA.
109. Whilst the SHMA does not provide separate calculations for affordable housing need between affordable rented and affordable home ownership tenures it does state that of all housing delivered, 18.5% should be for affordable rent and 15.9% for affordable home ownership (of which 5.9% could be Shared Ownership – 25% equity share and 10.0% Help-to-Buy/ Starter Homes). If this ratio were applied solely to the affordable housing need, it would suggest a 53.8% to 46.2% split for affordable rent and affordable home ownership. If these percentages were applied to the net need for 317 affordable dwellings per annum, it would suggest a need for 170 affordable rented dwellings and 147 dwellings for affordable home ownership each year across Basingstoke and Deane.
110. When the SHMA figures are pro-rated to Kingsclere based on its fair share of the population (1.67% of the LPA’s population¹¹), this equates to 5 homes per annum (5.29 rounded) or approximately 90 (89.9) homes over the Neighbourhood Plan period (2022-2039). If the above affordable rent / affordable home ownership split of 53.8% to 46.2% were applied to the Kingsclere figure this would indicate a need for 48 (48.4 rounded) affordable rent and 42 (41.6 rounded) affordable home ownership dwellings between 2022-2039. This equates to 3 (2.8 rounded) dwellings per annum for affordable rent and 2 (2.4 rounded) dwellings per annum for affordable home ownership.
111. For comparison, the total SHMA based figure (90 dwellings) would significantly exceed Kingsclere’s current overall housing need figure of 50 dwellings established in the adopted LDP. It is therefore unlikely that the updated Neighbourhood Plan will be able to fully accommodate the Affordable Housing need identified here.
112. This pro-rated figure is a useful guide to the scale of need that is likely on the basis of the population size. For comparison, Housing Register data provided by BDBC¹² suggests there are a total of 41 households with a verified local connection to Kingsclere unable to access affordable rented homes suitable to

¹⁰ Basingstoke and Deane Borough Council - Strategic Housing Market Assessment Update - May 2015. Available at: <https://www.basingstoke.gov.uk/content/page/40054/Strategic%20Housing%20Market%20Assessment%20-%20May%202015.pdf> [Accessed: September 2022]

¹¹ Based on ONS mid-year population estimates for 2020

¹² Email from Jessica Wells, Planning Policy Officer, Basingstoke and Deane Borough Council, September 2022

their needs in the NA. This Housing Register figure represents the current need in the NA and does not address any newly arising need over the plan period. It is also important to keep in mind that the households identified on the Housing Register don't necessarily lack their own housing but may require different housing to meet their circumstances.

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

Affordable Housing policy guidance

115. Basingstoke and Deane's adopted policy on this subject Policy CN1 requires 40% of all new housing to be affordable. It is understood that this target is not usually met on sites in the NA.
116. 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 robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
117. 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 specified in adopted Policy CN1 which states tenure split of affordable homes will be 70% rented and 30% intermediate products. The HNA can supply more localised 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 Kingsclere specifically.
118. 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:** Based on the borough's SHMA, this study estimates that Kingsclere requires roughly 90 units of Affordable Housing over the Plan period, with 48 dwellings for affordable rent and 42 dwellings for affordable home ownership. This equates to 2.8 dwellings per annum for affordable rent and 2.4 dwellings per annum for affordable home ownership.

These figures represent the tenure split suggested in the SHMA: 53.8% for affordable rented and 46.2% for affordable home ownership. Both forms of Affordable Housing appear to be valuable in meeting the needs of

people on various incomes. However, 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.

- B. Can Affordable Housing needs be met in full?** The NA does not currently have a housing requirement figure. Therefore, it is difficult to predict whether housing development in Kingsclere across the Plan period would be able to deliver the level of housing required to ensure 90 affordable units were provided.

Assuming 40% of dwellings were built as affordable, to deliver 90 affordable dwellings a total of 225 dwellings would need to be built in the NA (approximately 13 dwellings per annum). This would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022.

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.

The majority of Kingsclere's future development is expected to come forward in the form of small infill developments. These schemes are unlikely to be large enough to meet the threshold of 5 dwellings, above which the Affordable Housing policy applies. 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. The 70% rented 30% ownership guideline mix in the adopted Local Plan may offer an appropriate benchmark.

This suggested mix prioritises those in most need, adhering to the national First Homes policy limitations (noted below), and provides flexibility to deliver other intermediate tenures.

- C. Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Basingstoke and Deane, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Kingsclere would impact the ability to deliver social/affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 70% affordable rented and 30% intermediate products. The SHMA

which is the evidence base for the emerging Local Plan suggests a need split of 53.8% affordable rented housing and 46.2% affordable home ownership properties.

- 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 would not have an impact in Kingsclere as the adopted Local Plan seeks 70% affordable rented.

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 Basingstoke and Deane, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. 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 borough-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

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

H. **Existing tenure mix in Kingsclere:** As per the Census evidence presented in this chapter, Kingsclere has a significantly lower proportion of shared ownership compared to Basingstoke and Deane, and a slight greater proportion of social rented.

This suggests that some provision of Affordable Housing (particularly Affordable Housing for sale) would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

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

J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Kingsclere and/or the wider borough. 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.

119. On the basis of the considerations above, Table 4-6 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
120. 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 tenures should be prioritised, beyond the level recommended in SHMA. The adopted Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.
121. It's recommended that 25% of the affordable home provision be delivered as First Homes (in line with the 25% of developer-led Affordable Housing national requirement). In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership rather than more First Homes. Rent to Buy does not feature in the recommended mix as it less affordable than shared ownership.
122. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
123. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Basingstoke and Deane to

gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

124. Another option when developing 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)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	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.
Affordable Housing for rent, of which	70%	
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

Conclusions- Tenure and Affordability

125. At the time of the 2011 Census, Kingsclere's tenure profile largely aligned with that of Basingstoke and Deane. Home ownership was the most common tenure in Kingsclere, significantly exceeding the national average. The proportion of households living in shared ownership dwellings in the NA was marginal, less than half the level found in the wider borough. The level of social rented was found comparable across all three geographies. In contrast, Kingsclere had a relatively lower share of private rented homes compared to the borough and national averages.

126. In terms of house prices, there has been a steady increase in values between 2012 and 2021. The greatest change can be seen in the mean house price, which grew by 55.6% from £269,272 in 2012 to £418,948 in 2021. The lower quartile price increased by 47.2%, whilst the median price growth was lower at 29.3%.
127. Looking at the median price for each individual house type, detached dwellings experienced the greatest growth at 75.5%, significantly higher than the average recorded across all types. Terraced houses experienced the next highest growth at 55.5%, followed by flats at 43.1%. Semi-detached experienced the lowest growth at 35.4%.
128. Households on average incomes (£56,300) cannot access median or entry-level homes market homes. The median house price would require an annual income nearly double the current average. Therefore, market housing is likely to remain out of reach to most.
129. Private renting is generally only accessible to those on average incomes. Therefore, Rent to Buy may be a viable route to affordable home ownership to those earning above average incomes but with low savings for a deposit, although this is likely to be out of reach for those on lower incomes.
130. The income required to afford First Homes has been tested against the implications of 30%, 40% and 50% discount levels. Discounts of 40% and 50% appear most effective at bringing new entry-level homes within reach of the average earning household (£56,300), whilst the purchase threshold for 30% discount (£56,847) is only marginally higher than the average income. In terms of lower earners, the purchase threshold for First Homes at a 50% discount (£40,605) is only marginally higher than the average dual lower quartile household income (£39,924). A discount of well over 50% would be required in order for single lower quartile earners to be able to access discounted market sales.
131. It is recommended that any future First Homes in Kingsclere are delivered at a 50% discount, subject to viability. This level of discount appears to extend homeownership to the widest proportion of the population.
132. Shared ownership appears to be more affordable than First Homes. While the income threshold for a 10% equity shared ownership home may be within the reach of lower quartile earners, 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.
133. Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Kingsclere, who can afford few other options.
134. When Basingstoke and Deane's SHMA figures are pro-rated to Kingsclere based on its fair share of the population (1.67% of LPA's population), Kingsclere can be assumed to have a need for approximately 5 (5.29 rounded) affordable homes per annum or approximately 90 (89.9 rounded) homes over the

Neighbourhood Plan period (2022-2039). Note, this figure may not accurately represent actual need in the NA but is a useful guide to the scale of need that is likely on the basis of the population size.

135. If the SHMA's suggested affordable rent / affordable home ownership split of 53.8% to 46.2% were applied to the Kingsclere figure this would result in 48 dwellings for affordable rent and 42 dwellings for affordable home ownership. Equating to 2.8 dwellings per annum for affordable rent and 2.4 dwellings per annum for affordable home ownership
136. It is unlikely that the updated Neighbourhood Plan will be able to fully accommodate the Affordable Housing need identified here as this exceeds Kingsclere's current housing need figure of 50 dwellings, established in the adopted LDP. Assuming 40% of dwellings were built as affordable, to deliver 90 affordable dwellings a total of 225 dwellings would need to be built in the NA (approximately 13 dwellings per annum). This would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022.
137. As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited.
138. Based on a list of considerations presented in the 'policy guidance' section of this chapter, AECOM recommend that an appropriate balance between affordable rented tenures and affordable home ownership within the Affordable Housing that comes forward on mainstream development sites would be 70% rent to 30% ownership. This complies with various minimum requirements mandated nationally and the adopted Local Plan guideline mix of 70% rented to 30%.

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

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

Existing types and sizes

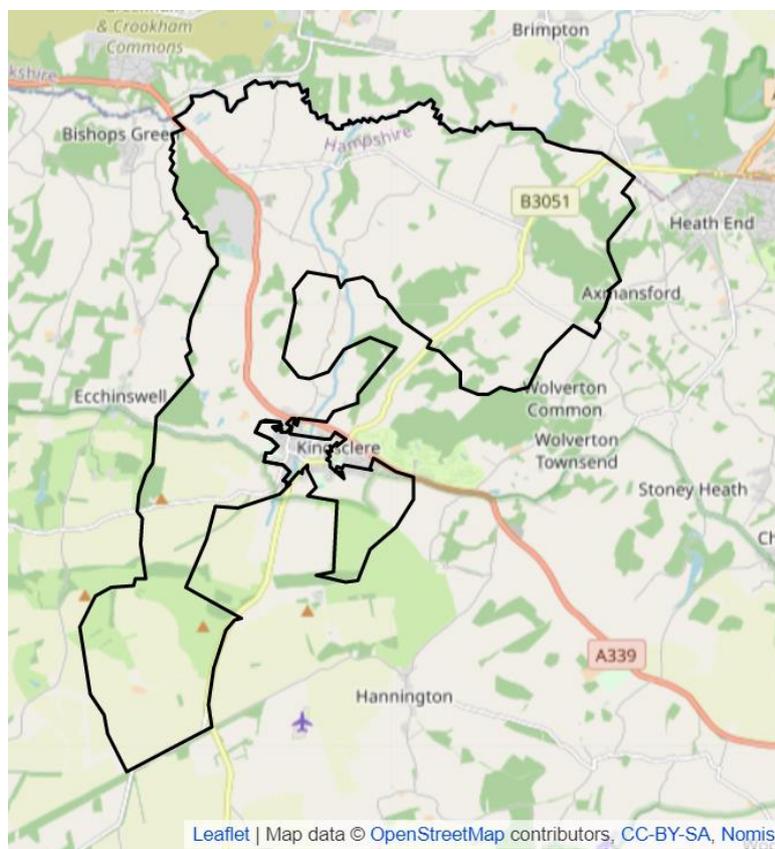
Background and definitions

141. 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.
142. 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.
143. 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.
144. 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.

145. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. 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) must be used.
146. The VOA counts the stock of properties according to council tax banding and other measures in various areas. However, this data is only provided for Lower Layer Super Output Areas (LSOAs) and their higher-scale equivalents (MSOAs – Medium Super Output Areas). It is not possible to fully replicate the NA boundary using MSOAs or LSOAs, so the following data relates to a combination of LSOA E01022520, LSOA E01022521 and LSOA E01022522 (see Figure 5-1). This covers a larger area than the Plan area itself but for comparison purposes can be used as a reasonable proxy for Kingsclere. The most appropriate combination of approaches is used in this section.

Figure 5-1 LSOAs (E01022520, E01022521 and E01022522) used as a best-fit



Source: ONS

Dwelling type

147. The 2011 Census shows Kingsclere residents occupied 440 detached houses, 424 semi-detached, 341 terraced houses, and 251 flats.
148. The proportion of detached properties is comparable between Kingsclere and Basingstoke and Deane, both significantly exceeding the national level for this house type. The NA has a higher proper of semi-detached properties and a lower proportion of terraced units compared to Basingstoke and Deane. Finally, Kingsclere has a higher proportion of flats compared to the borough, although both remain below the national level for this house type.

Table 5-1 Accommodation type, 2011

Dwelling type		Kingsclere	Basingstoke and Deane	England
Whole house or bungalow	Detached	30.2%	30.9%	22.4%
	Semi-detached	29.1%	24.8%	31.2%
	Terraced	23.4%	29.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	14.4%	13.3%	16.4%
	Parts of a converted or shared house	2.3%	1.1%	3.8%
	In commercial building	0.5%	0.4%	1.0%

Source: ONS 2011, AECOM Calculations

149. The 2021 Census will provide an up-to-date picture of the current dwelling stock in Kingsclere when the results are released in the coming months. In the meantime we can turn to other sources, such as VOA.
150. Census 2011 data is presented in Table 5-2, alongside the VOA figures (which counts the stock of properties according to council tax banding). Unfortunately, this cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties), and because the VOA data relates to a slightly larger proxy area.

Table 5-2 Accommodation type, Kingsclere, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	11.9%
Flat	17.2%	11.9%
Terrace	23.4%	18.1%
Semi-detached	29.1%	22.1%
Detached	30.2%	33.6%
Unknown/other	-	2.2%
Total	100%	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

151. It is helpful to compare the NA dwelling mix (using VOA proxy) with the wider borough and the country. The data in Table 5-3 below shows that Kingsclere has a comparatively high proportion of bungalows. Although it is not necessarily a given that bungalows are completely accessible (e.g. for an occupant using a wheelchair), the availability of bungalows may represent an appealing offering for older people and those with mobility challenges.

152. We can see that Kingsclere has significantly lower proportions of flats and terraces compared to the borough and higher proportions of detached and semi-detached homes. Flats and terraces are generally the most affordable home types. The underrepresentation of these types might be expected to limit the options for local people on lower incomes, particularly growing families or downsizers or simply those who cannot afford the majority of the options currently available.

Table 5-3 Accommodation type, various geographies, 2021

Dwelling type	Kingsclere	Basingstoke and Deane	England
Bungalow	11.9%	8.9%	9.2%
Flat	11.9%	16.9%	23.7%
Terrace	18.1%	30.0%	26.1%
Semi-detached	22.1%	18.8%	23.7%
Detached	33.6%	24.5%	15.8%
Unknown/other	2.2%	0.9%	1.4%
Total	100%	100%	100%

Source VOA 2021, AECOM Calculations

Dwelling size

153. Table 5-4 below sets out change in the mix of housing by number of bedrooms in Kingsclere, comparing the 2011 Census mix to 2021 VOA data. The table appears to show an increase in three and more bedroom properties and a decrease in smaller one and two bedroom dwellings.

Table 5-4 Dwelling size (bedrooms), Kingsclere, 2011 and 2021

Number of Bedrooms	2011 Census	2021 VOA
1	11.2%	7.3%
2	21.8%	20.5%
3	42.5%	43.4%
4+	24.5%	26.9%
Unknown	0.1%	1.8%
Total	100%	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

154. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. VOA data has been used for Kingsclere for consistency in the comparison with Basingstoke and Deane and England. Table 5-5 shows that Kingsclere has a particularly high share of four

and more bedroom homes. The NA has lower proportions in the one- and two-bedroom categories compared to the borough and national averages. The proportion of three-bedroom dwellings is relatively consistent across all three geographies.

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

Number of Bedrooms	Kingsclere	Basingstoke and Dean	England
1	7.3%	9.9%	12.6%
2	20.5%	24.1%	28.4%
3	43.4%	44.0%	43.0%
4+	26.9%	21.6%	15.5%
Unknown	1.8%	0.5%	0.6%
Total	100%	100%	100%

Source: VOA 2021, AECOM Calculations

Age and household composition

155. Having established the current stock profile of Kingsclere 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

156. Table 5-6 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The older population (65 and over) increased over this period, whilst the remaining younger age groups experienced declines. The 45-64 age group represented the largest single age group in Kingsclere across 2011 and 2020 (despite a decline of 10.1%). The largest proportional change is seen in the 85 and over age band, which increased by 42.3%. The largest change in actual numbers is in the 25-45 age group (representing a 19.1% decrease).

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

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

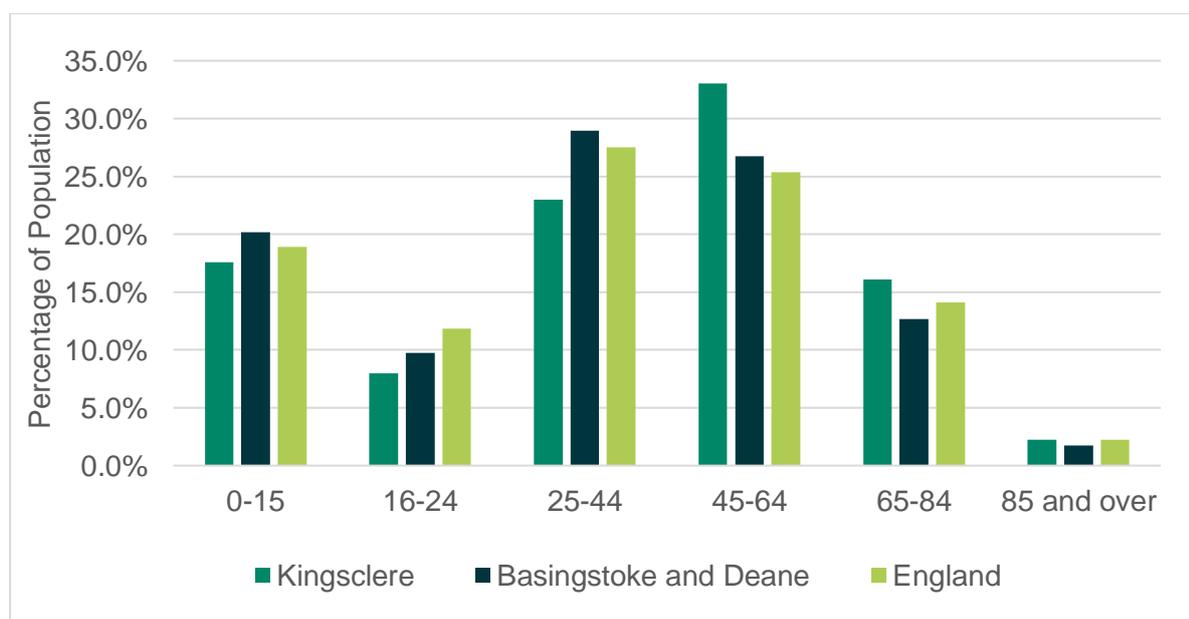
Table 5-6 Age structure of Kingsclere population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)		Rate of Change %
	Pop.	%	Pop.	%	
0-15	557	17.6%	474	16.0%	-14.9%
16-24	253	8.0%	236	8.0%	-6.7%
25-44	728	23.0%	565	19.1%	-22.4%
45-64	1046	33.1%	940	31.7%	-10.1%
65-84	509	16.1%	647	21.8%	27.1%
85 and over	71	2.2%	101	3.4%	42.3%
Total	3,164	100%	2,963	100%	-6.4%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

159. For context, it is useful to look at the parish population structure alongside that of the borough and country. Figure 5-2 (using 2011 Census data) shows that the NA population was generally older than the borough and national averages. As noted above 45-64 year olds represent the largest single age group in Kingsclere. Compared to Basingstoke and Deane, and England, Kingsclere has a lower share of the population in the 0-15, 16-24 and 25-44 age groups and higher shares in the 45-64, 65-84 and 85 and over and age groups.

Figure 5-2 Age structure in Kingsclere, 2011



Source: ONS 2011, AECOM Calculations

Household composition

160. 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 Plan period. Table 5-7 shows that Kingsclere had a higher proportion of single person households and a lower proportion of family households when compared to the wider borough.

161. Households aged 65 and over were more common in Kingsclere than borough and national levels, reflecting the older age profile of the parish. In terms of

family households, Kingsclere had a slightly higher proportion of non-dependent children compared to Basingstoke and Deane. 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.

Table 5-7 Household composition, Kingsclere, 2011

Household composition		Kingsclere	Basingstoke and Deane	England
One person household	Total	32.3%	26.4%	30.2%
	Aged 65 and over	15.1%	9.9%	12.4%
	Other	17.1%	16.5%	17.9%
One family only	Total	63.7%	67.3%	61.8%
	All aged 65 and over	8.5%	7.9%	8.1%
	With no children	21.9%	21.4%	17.6%
	With dependent children	24.3%	29.2%	26.5%
	With non-dependent children ¹³	9.0%	8.8%	9.6%
Other household types	Total	4.0%	6.3%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

162. 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.

163. In Kingsclere, a combined 77.5% of people lived in a home with at least one extra bedroom in 2011, with 44.5% living in a home with two or more extra bedrooms. The percentage of people living in homes with fewer bedrooms than they might be expected to need is low at 1.1%, with these households potentially living in inadequate housing conditions in the NA.

164. Extreme under-occupancy (+2 rating) is strongly correlated with age, with older age groups much more likely to under-occupy their homes. This is likely because such households tend to be small (i.e. after children have moved out) but remain in homes large enough for families either by preference or for a lack

¹³ Refers to households containing children who are older than 18 e.g students or young working people living at home.

of more suitable options nearby. These households may benefit from the development of smaller dwellings suitable for downsizing.

Table 5-8 Occupancy rating by age in Kingsclere, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	73.6%	21.5%	5.0%	0.0%
Single person 65+	43.9%	28.0%	28.0%	0.0%
Family under 65 - no children	72.3%	21.9%	5.8%	0.0%
Family under 65 - dependent children	26.1%	43.2%	28.1%	2.6%
Family under 65 - adult children	23.6%	48.8%	23.6%	3.9%
Single person under 65	37.9%	33.7%	28.4%	0.0%
All households	44.5%	33.0%	21.4%	1.1%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

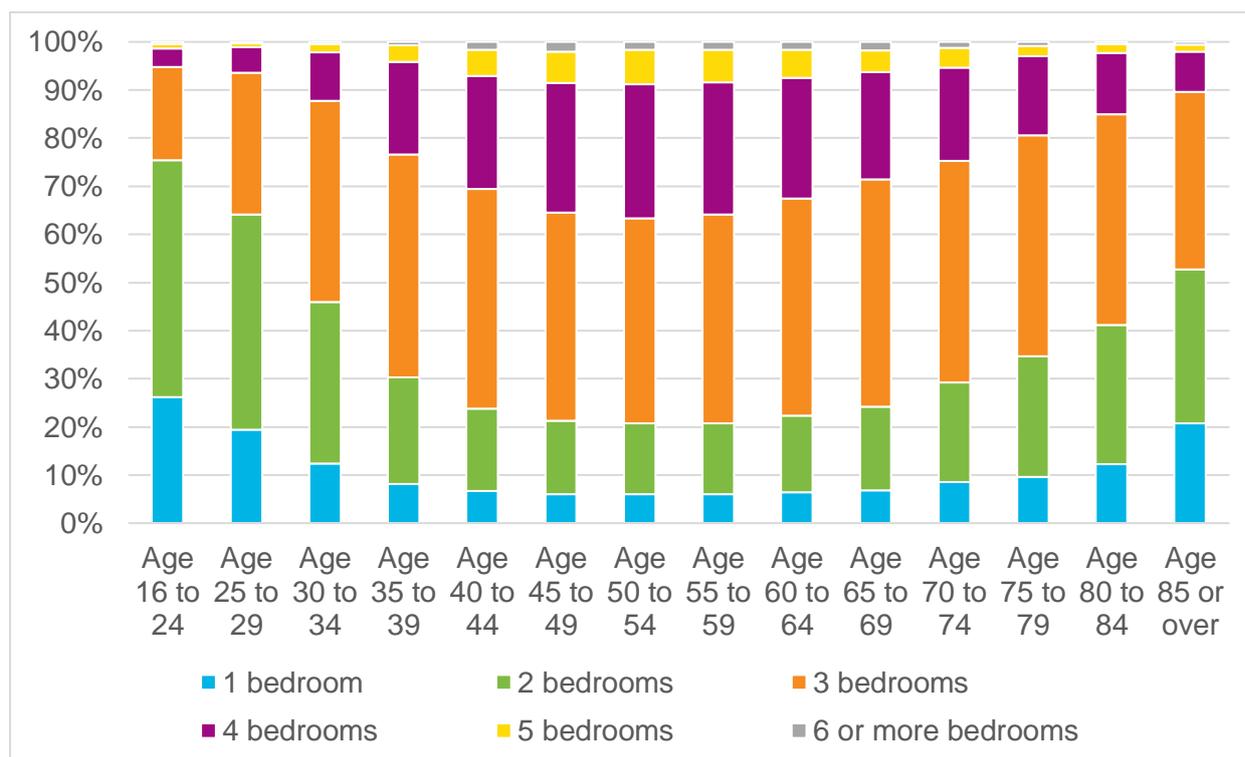
Suggested future dwelling size mix

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

- The starting point is the age distribution of Kingsclere 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.
166. 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.
167. 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.
168. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
169. The first, given as Figure 5-3, sets out the relationship between household life stage and dwelling size for Basingstoke and Deane 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 5-3 Age of household reference person by dwelling size in Basingstoke and Deane, 2011



Source: ONS 2011, AECOM Calculations

170. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Kingsclere households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-7 makes clear that population growth can be expected to be driven by the oldest households, with the largest growth seen in households with a household reference person aged 65 and over, which increases by 73% from 2011. This is followed by a more modest increase of 9% in the 55 to 64 category. There are expected to be declines in the remaining younger age groups.

Table 5-9 Projected distribution of households by age of HRP, Kingsclere

Year	Age of HRP and under 24	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	20	128	547	311	411
2039	18	120	498	339	712
% change 2011-2039	-11%	-6%	-9%	9%	73%

Source: AECOM Calculations

171. The final result of this exercise is presented in Table 5-8. The model suggests that the target mix in 2039 should be dominated by three-bedroom dwellings at 43.7%, followed by two-bedroom dwellings at 21.3% and four-bedroom dwellings at 20.4%. It is recommended that the proportion of one-bedroom dwellings in the size mix of the NA is reduced from 11.2% to 9.0%, whilst five or more-bedroom dwellings should be reduced from 6.0% to 5.6%.

172. In order to reach the target mix by 2039, that the greatest proportion of housing is delivered as three-bedroom dwellings (48.8%), followed by four-bedroom (29.3%) and two-bedroom (18.1%) dwellings. It is also suggested that some provision of very large dwellings (five or more-bedrooms) is still delivered (3.7%). In contrast, no further delivery of one-bedroom dwellings is recommended during the plan period.

Table 5-10 Suggested dwelling size mix to 2039, Kingsclere

Number of bedrooms	Current mix (2011)	Indicative mix (2039)	Balance of new housing to reach indicative mix
1 bedroom	11.2%	9.0%	0.0%
2 bedrooms	21.8%	21.3%	18.1%
3 bedrooms	42.5%	43.7%	48.8%
4 bedrooms	18.5%	20.4%	29.4%
5 or more bedrooms	6.0%	5.6%	3.7%

Source: AECOM Calculations

173. As noted above, the modelling suggests that there will be no need for further one-bedroom dwellings over the Neighbourhood Plan period. Whilst the smaller one-bedroom dwellings may be less popular on the open market, Table 5-10 also accounts for the size of affordable dwellings, for which the need is often for smaller dwellings. For example, data provided by BDBC suggests that more than half of 41 households on the Kingsclere Housing Register require a dwelling with one bedroom.

174. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.

175. 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.

176. 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.

177. 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 smaller homes with fewer bedrooms

would help to address this situation. This is especially relevant in the size mix as it covers all tenures of housing.

178. 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.
179. 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 mid-sized homes (three bedrooms) 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.

Conclusions- Type and Size

180. 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.
181. According to Census 2011 data, the proportion of detached properties was comparable between Kingsclere and Basingstoke and Deane, both significantly exceeding the national level for this house type. The NA had a higher proportion of semi-detached properties and a lower proportion of terraced units compared to Basingstoke and Deane. Finally, Kingsclere had a higher proportion of flats compared to the borough, although both remain below the national level for this house type.
182. VOA data suggests that Kingsclere has a comparatively high proportion of bungalows. Although it is not necessarily a given that bungalows are be completely accessible (e.g. for an occupant using a wheelchair), the availability of bungalows may be represent an appealing offering for older people and those with mobility challenges.
183. In terms of size, Kingsclere's housing stock is weighted towards larger size homes. The NA has a particularly high share of four and more bedroom homes in comparison with Basingstoke and Deane and England. Conversely, there are

lower proportions of smaller (one and two bed) dwellings compared to borough and national averages.

184. At the time of the 2011 Census, the NA population was generally older than the borough and national averages. Between 2011 and 2020, the older population (65 and over) increased, whilst the remaining younger age groups experienced declines. The 45-64 age group represented the largest single age group in Kingsclere across 2011 and 2020. The largest proportional change is seen in the 85 and over age band, which increased by 42.3%.
185. In 2011 Kingsclere had a higher proportion of one person households and a lower proportion of family households when compared to the wider borough. Households aged 65 and over were more common in Kingsclere compared to the borough and national levels, reflecting the older age profile of the parish. Kingsclere had a slightly higher proportion of non-dependent children compared to Basingstoke and Deane.
186. Kingsclere has a high rate of under-occupancy: 77.5% of households lived in a home with at least one extra bedroom in 2011, with 44.5% living in a home with two or more extra bedrooms. The percentage of households living in homes with fewer bedrooms than they might be expected to need was low at 1.1%.
187. 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 of all tenures might involve the following share of dwelling sizes:
- 0% as one bedroom,
 - 18.1% as two bedrooms,
 - 48.8% as three bedrooms,
 - 29.4% as four bedrooms, and
 - 3.7% as five or more bedrooms.
188. This modelling is a starting point for thinking about how best to address the more nuanced needs of the future population. The results suggest that there will be no need for further one-bedroom dwellings over the Neighbourhood Plan period.
189. It would be unwise for any new housing 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 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.

6. RQ 3: Specialist housing for older people

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Introduction

190. This chapter considers in detail the specialist housing needs of older people in Kingsclere. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

191. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

192. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

193. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹⁴ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

194. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

¹⁴ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹⁵

195. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁶ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the older population) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

196. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.

197. Table 6-1 counts a total of 94 units of specialist accommodation in the NA at present, the majority of which are available for social rent for those in financial need, with a small proportion being offered for leasehold market purchase.

198. ONS 2020 population estimates suggest that there are currently around 346 individuals aged 75 or over in Kingsclere. This suggests that current provision is in the region of 272 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

Table 6-1 Existing specialist housing for Older People in Kingsclere

	Name	Description	Dwellings	Tenure	Type
1	Garrett Close	Two-bedroom flats.	16	Leasehold	Retirement housing
2	Rose Hodson Court	One-bedroom flats.	42	Rent (social landlord)	Retirement housing
3	Feilden Court	Variety of one- and two-bedroom flats and bungalows.	36	Rent (social landlord)	Age exclusive housing

Source: <http://www.housingcare.org>

Tenure-led projections

199. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Basingstoke and

¹⁵ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹⁶ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Deane, as this is the most recent and smallest geography for which tenure by age bracket data is available.

200. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2039. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

201. According to Table 6-2, a high proportion of this age group own their own homes (79.8%), with just 14.4% in social rented housing and only 4.5% renting on the private market.

Table 6-2 Tenure of households aged 55-75 in Basingstoke and Deane, 2011

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
79.8%	54.5%	25.2%	20.2%	14.4%	4.5%	1.3%

Source: Census 2011

202. The next step is to project how the overall number of older people in Kingsclere is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Basingstoke and Deane at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3, which indicates an increase of 293 people over 75 between 2011 and 2039. The proportion of the population aged 75+ in Kingsclere is expected to increase considerably from 8.5% to 16.7%. Proportionally, Kingsclere will retain an older population than the wider borough.

Table 6-3 Modelled projection of older population in Kingsclere by end of Plan period

Age group	2011		2039	
	Kingsclere (Census)	Basingstoke and Deane (Census)	Kingsclere (AECOM Calculation)	Basingstoke and Deane (ONS SNPP 2018)
All ages	3,164	167,799	3,377	179,116
75+	270	10,704	563	22,332
%	8.5%	6.4%	16.7%	12.5%

Source: ONS SNPP 2020, AECOM Calculations

203. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without

evidence from a household survey (which itself may not give a complete picture).

204. The people whose needs are the focus of the subsequent analysis are therefore the additional 293 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Basingstoke and Deane in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 10,704 individuals aged 75+ and 7,703 households headed by a person in that age group. The average household size is therefore 1.39, and the projected growth of 293 people in Kingsclere can be estimated to be formed into around 211 households.

205. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in Table 6-2). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

Table 6-4 Projected tenure of households aged 75+ in Kingsclere to the end of the Plan period

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
168	115	53	43	30	10	3

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

206. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 presents this data for Kingsclere from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-5 Tenure and mobility limitations of population aged 65+ in Kingsclere, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	95	16.4%	154	26.6%	331	57.1%
Owned Total	56	12.9%	106	24.4%	273	62.8%
Owned outright	51	13.4%	98	25.7%	233	61.0%
Owned (mortgage) or shared ownership	5	9.4%	8	15.1%	40	75.5%
Rented Total	39	26.9%	48	33.1%	58	40.0%
Social rented	32	28.1%	42	36.8%	40	35.1%
Private rented or living rent free	7	22.6%	6	19.4%	18	58.1%

Source: DC3408EW Health status

207. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is approximately 88, comprising 63 market homes and 26 affordable rented.

208. These findings are set out in Table 6-6, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-6 AECOM estimate of specialist housing need in Kingsclere by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the projected households across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the projected households across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	33 (33.17 rounded)
	11 (11.49 rounded)	22 (21.67 rounded)	
Adaptations, sheltered, or retirement living	Multiply the projected households across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the projected households across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	55 (55.11 rounded)
	14 (14.15 rounded)	41 (41.02 rounded)	
Total	26 (25.64 rounded)	63 (62.69 rounded)	88 (88.33 rounded)

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

209. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-7 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

210. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

Table 6-7 Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

211. As Table 6-3 shows, Kingsclere is forecast to see an increase of 293 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.293 = 18$
- Leasehold sheltered housing = $120 \times 0.293 = 35$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.293 = 5.9$
- Extra care housing for rent = $15 \times 0.293 = 4.4$
- Extra care housing for sale = $30 \times 0.293 = 8.8$
- Housing based provision for dementia = $6 \times 0.293 = 1.8$

212. This produces an overall total of 74 specialist dwellings which might be required by the end of the plan period.

213. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-8 HLIN estimate of specialist housing need in Kingsclere by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	21
	9	12	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	53
	18	35	
Total	27	47	74

Source: Housing LIN, AECOM calculations

SHMA findings

214. Whilst outside the scope of the Kingsclere HNA, the SHMA calculates an estimated need for Class C2 bed spaces at the borough level. The SHMA suggest that an additional 452 Registered Care spaces (Class C2 - nursing and residential care homes) will be required between 2022 and 2040 across Basingstoke and Deane. This is equivalent to approximately 23 bed spaces per annum.

215. When the SHMA figures are pro-rated to Kingsclere based on its fair share of the population (1.67% of the LPA's population), this equates to approximately 7 Class 2 bed spaces over the Neighbourhood Plan period (2022-2039). Again, this is only provided for information purposes, as this represents additional accommodation required to meet the future institutional population and therefore does not form part of the new housing to meet the Standard Method local housing need.

Conclusions- Specialist Housing for Older People

216. There are currently estimated to be around 270 people aged 75 or over living in Kingsclere. Applying borough-level projections to Kingsclere's population suggests that the 75+ population in the parish will increase from 8.5% of the total currently to 16.7% in 2039 – equivalent to 239 additional older individuals and a 108.6% growth rate for that age cohort.

217. There appears a total of 94 units of specialist accommodation in the NA at present, the majority are available for social rent for those in financial need, with small proportion being offered for leasehold market purchase. This suggests that current provision is in the region of 271 units per 1,000 of the 75+ population.

218. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
219. These two methods of estimating the future need in Kingsclere produce a range of 74 to 88 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
220. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-6, the majority of the need, at 71.0%, is identified for specialist market housing compared to affordable. More need is identified for sheltered housing at 62.5% compared to 37.5% extra-care. The greatest sub-category of need was identified for market sheltered housing at 46.4% of the total need. However, this need is for individuals with less severe limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.
221. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
222. Adopted Local Plan policies CN1 and CN3 provide explicit encouragement for development to accommodate specific groups such as older people. Under these policies there is an expectation that 15% of all new housing (affordable and market) in the borough will be accessible and adaptable by meeting requirement M4(2) of the Building Regulations. It should however be noted that Government is considering mandating M4(2) on newly erected dwellings, although changes to Building Regulations have not yet been made. The Local Plan doesn't set specific targets for the proportion of new housing that might be required for wheelchair users (Category M4(3)), although wheelchair adaptable or wheelchair accessible homes may be supported in lieu of M4(2) provision. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the borough falling into this category.

223. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
224. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
225. It is considered that Kingsclere's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Kingsclere entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Kingsclere, Basingstoke is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
226. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Next Steps

Recommendations for next steps

227. This Neighbourhood Plan housing needs assessment aims to provide Kingsclere with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Basingstoke and Deane Borough Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

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

228. 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.

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

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

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

231. 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.

232. 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 Kingsclere, it is considered that MSOA Basingstoke and Deane 004 (E02004678) 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 Basingstoke and Deane 004 appears in Figure A-1. This MSOA was chosen as it overlaps to the entire the Neighbourhood Area

Figure A-1: MSOA Basingstoke and Deane 004 (E02004678) used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

i) Market sales

235. 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.
236. 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 Kingsclere, 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.
237. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £320,000;
 - Purchase deposit at 10% of value = £32,000;
 - Value of dwelling for mortgage purposes = £288,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £82,286.
238. 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 £270,000, and the purchase threshold is therefore £69,429.
239. 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 no sales of new build properties in the NA in 2021 so the cost of new build housing in Kingsclere cannot be extracted. 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 Basingstoke and Deane and new build house prices in 2021 in the same area. This percentage uplift (17%) is then applied to the 2021 lower quartile house price in the NA (£270,000) to give an estimated NA new build entry-level house price of £315,814 and purchase threshold of £81,209.

240. 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 Basingstoke and Deane in 2021. The median cost of new build dwellings in Basingstoke and Deane was £385,995 with a purchase threshold of £99,256. This purchase threshold is approximately 22.2% higher than the purchase threshold for the estimated NA new build entry-level house.

ii) Private Rented Sector (PRS)

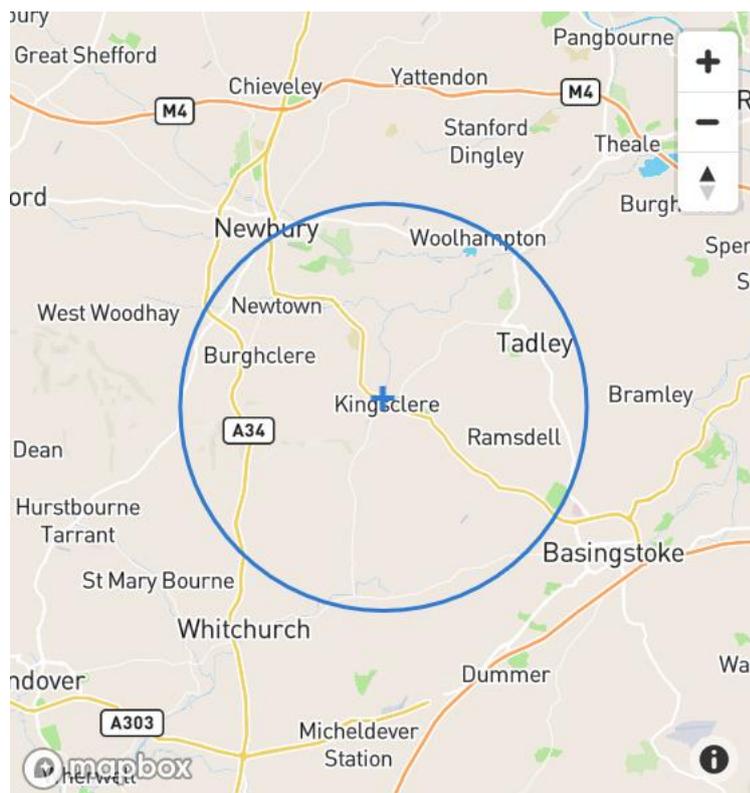
241. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
242. This is an important assumption because it is possible that 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.
243. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. According to [Home.co.uk](https://www.home.co.uk), there was only one property available for rent in the NA at the time of search in September 2022. This number is considered too small to calculate valid income thresholds for the private rental sector. As such, an alternative rental search area needs to be selected that is a best-fit proxy for the Neighbourhood Area.
244. Figure A-2 shows the rental search area used to gather data for the private rent income threshold calculations. This area represents a six-mile radius from the centre of Kingsclere, covering a larger area than the NA but can be used as a reasonable proxy for it. As this search area forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
245. According to [home.co.uk](https://www.home.co.uk), there were 51 properties for rent at the time of search in September 2022, with an average monthly rent of £1,406. There were 18 two-bed properties listed, with an average price of £1,099 per calendar month.

246. The calculation for the private rent income threshold for entry-level (two bedroom) dwellings is as follows:

- Annual rent = £1,099 x 12 = £13,188;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £43,960.

247. The calculation is repeated for the overall average to give an income threshold of £56,240.

Figure A-2 Rental Search Area



Source: Home.co.uk

A.3 Affordable Housing

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

i) Social rent

249. 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.

250. 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

Kingsclere. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Basingstoke and Deane in the Table A-1.

251. 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	£95.94	£112.56	£122.73	£135.35	£114.75
Annual average	£4,989	£5,853	£6,382	£7,038	£5,967
Income needed	£16,613	£19,491	£21,252	£23,437	£19,870

Source: Homes England, AECOM Calculations

ii) Affordable rent

252. 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).

253. 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%.

254. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Basingstoke and Deane. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

255. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 53.3% 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	£122.95	£151.36	£171.94	£191.51	£146.86
Annual average	£6,393	£7,871	£8,941	£9,959	£7,637
Income needed	£21,290	£26,209	£29,773	£33,162	£25,430

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

256. 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.

257. 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

258. 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.

259. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £315,814.

260. 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) = £315,814;
- Discounted by 30% = £221,070;
- Purchase deposit at 10% of value = £22,107;
- Value of dwelling for mortgage purposes = £198,963;
- Divided by loan to income ratio of 3.5 = purchase threshold of £56,847.

261. 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 £48,726 and £40,605 respectively.

262. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The discounted prices are also all below the cap of £250,000.
263. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹⁷) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Kingsclere.

Shared ownership

264. 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'.
265. 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.
266. 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).
267. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £315,814 is £78,954;
 - A 10% deposit of £7,895 is deducted, leaving a mortgage value of £71,058;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £20,302;

¹⁷ 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 £236,861;
- The estimated annual rent at 2.5% of the unsold value is £5,922;
- This requires an income of £19,738 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £40,041 (£20,302 plus £19,738).

268. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £31,807 and £53,764 respectively.

269. The income thresholds for shared ownership at 10%, 25% and 50% equity shares remain below the £80,000 cap for eligible households.

Rent to Buy

270. 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)

271. 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.

272. 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 Department for Levelling Up, Housing and Communities publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = $\frac{£200,000}{£25,000} = 8$, (the house price is 8 times income).

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁸.

Age-Restricted General Market Housing

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

Almshouses

Almshouses are a charitable form of self sufficient, low cost community housing that is held in trust for local people in housing need. They are managed and run by almshouse charities made up of local volunteers.

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 Standard¹⁹

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

¹⁸ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁹ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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.

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 Order²⁰

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)²¹

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

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10%

²⁰ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²¹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing 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 years²², 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 older people, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

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

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

²² See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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 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 Housing²³

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

²³ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁴

²⁴ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

