



Portreath  
Housing Needs Assessment  
(HNA)

July 2019

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## Table of Contents

1.	Executive Summary .....	6
1.1	Introduction.....	6
1.2	Research Questions .....	6
1.3	Findings of RQ1: Tenure and Affordability .....	6
1.4	Findings of RQ2: Type and size.....	7
2.	Context .....	8
2.1	Local context .....	8
2.2	Planning policy context.....	8
3.	Approach .....	10
3.1	Research Questions .....	10
3.1.1	RQ 1 – Tenure and Affordability.....	10
3.1.2	RQ 2 – Type and size .....	10
3.2	Relevant Data.....	10
3.2.1	Local Authority evidence base .....	10
3.2.2	Other relevant data .....	11
4.	RQ 1 Tenure and affordability .....	13
4.1	Background and definitions .....	13
4.2	SHMNA and Portreath Parish Housing Need Survey findings .....	13
4.3	Current tenure profile.....	14
4.4	Affordability.....	15
4.4.1	Income.....	15
4.4.2	Market housing .....	15
4.4.3	Affordable Housing .....	18
4.5	Conclusion - tenure and affordability .....	22
5.	RQ 2 Type and size .....	23
5.1	Background and definitions .....	23
5.2	Existing types and sizes .....	24
5.3	SHMNA and Portreath Parish Housing Need Survey Report findings .....	26
5.4	Household composition and age structure.....	26
5.5	Dwelling mix determined by life-stage modelling .....	28
5.6	Conclusion- type and size.....	30
6.	Conclusions .....	31
6.1	Recommendations for next steps .....	32
7.	Housing Needs Assessment Glossary .....	33

**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
AONB	Area of Outstanding Natural Beauty
DPA	Dwellings per Annum
HNA	Housing Needs Assessment
HNF	Housing Needs Figure
HPA	Housing and Planning Act 2016
HRP	Household Reference Person
IT	Income Threshold
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NA	Neighbourhood Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PCM	Per Calendar Month
PPC	Portreath Parish Council
PPG	Planning Practice Guidance
PRS	Private Rented Sector
PT	Purchase Threshold
SHLAA	Strategic Housing Land Availability Assessment
SHMNA	Strategic Housing Market Needs Assessment

# 1. Executive Summary

## 1.1 Introduction

1. Portreath in Cornwall commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed 2 research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

## 1.2 Research Questions

**RQ 1: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?**

**RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is best suited to meet local needs?**

## 1.3 Findings of RQ1: Tenure and Affordability

2. The number of households in Portreath who own their homes has decreased faster than Cornwall and England, while private renting has increased significantly. This may be due to the conversion of homes for residential use to holiday homes.
3. Portreath's quantity of shared ownership and social rented households remained stagnant from 2001-2011, due to the relatively low number of both types of households in the area, but this does not reflect the most recent AH completions. More strikingly, the tenure of shared ownership has expanded considerably in Cornwall and England, hinting at a potential trend for Portreath to follow.
4. According to our calculations, the lower quartile household income (at £22,020) is insufficient to occupy all tenures apart from Social Rent, demonstrating immense need for affordable housing to be provided to residents of Portreath. There is a clear need for diversified tenure profiles, and achieving or exceeding Cornwall's target of 30% AH on all new developments of 5 units or more should therefore be encouraged wherever possible.
5. The price of homes from 2009-2018 rose 25%, contributing to the problem of affordability for residents.
6. Given the strong growth in private renting and shared ownership (from a low base) across Cornwall, it is therefore likely that these tenures are becoming more common as a way to meet demand from those priced out of market home ownership, which is not close to being affordable for the vast majority of people on average incomes. However, entry-level market renting and other affordable routes to home ownership are within reach of households on average incomes, but those earning within the lower quartile bracket can only afford social rented accommodations.
7. In terms of the tenure split of Affordable Housing, it is important to note the affordability pressures that exist among households with below average incomes in Portreath, and the community is particularly concerned about meeting the needs of residents who are increasingly at risk of having to move elsewhere. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent.
8. However, there are clear benefits to increasing the supply of affordable routes to home ownership, particularly given that shared ownership at a 25% share is affordable to households on average incomes. Such tenures should therefore form part of the dwelling mix for new development.
9. On the basis of the evidence we have gathered, the following split of AH tenures is recommended:

**Table 1-1: Recommended tenure split (Affordable Housing)**

<b>Routes to home ownership, of which</b>	<b>30%</b>
Shared ownership	20%
Starter Homes	10%
<b>Affordable Housing for rent, of which</b>	<b>70%</b>
Social Rent	45%
Affordable Rent	25%

Source: AECOM calculations

## 1.4 Findings of RQ2: Type and size

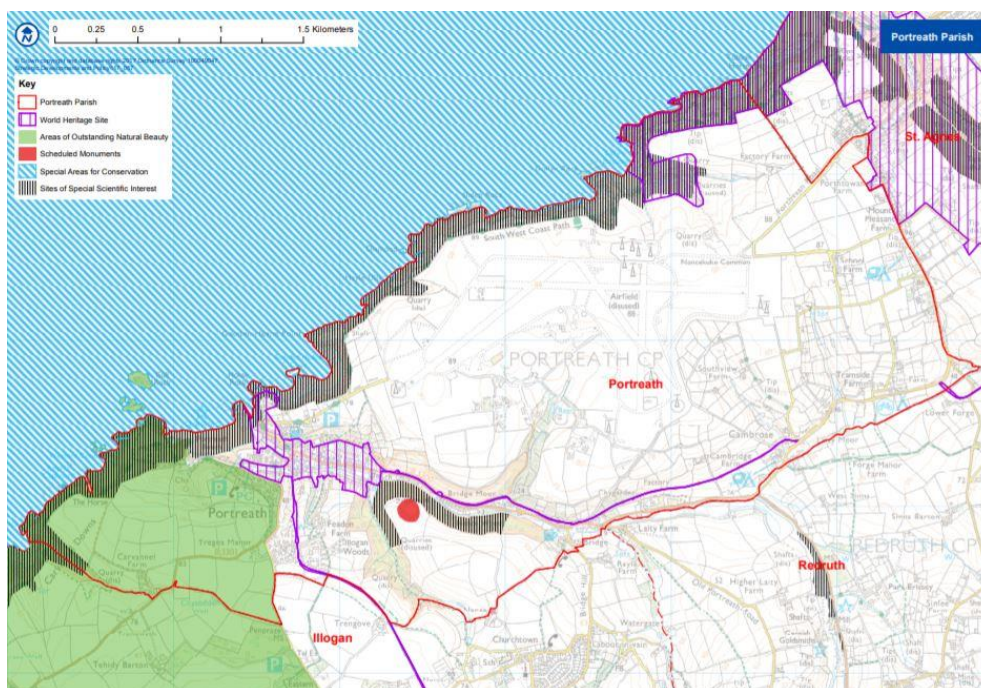
10. The housing types that are most likely to meet local needs, based on the current stock transaction data from the land registry, are detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.
11. In terms of dwelling sizes, the following conclusions emerge for this analysis:
  - Households are very slightly smaller in Portreath compared to Cornwall (2.29 against 2.31). This is despite the average number of rooms and bedrooms per household being slightly larger in the NA;
  - There has been a reasonable decrease (30.6% on average) in medium sized homes (2-4 rooms) in Portreath. However, there has also been an increase in large properties of 8 rooms or more (41.8%).
  - Whilst an analysis of property types and sizes in the intercensal period suggest that there is a growing demand for large properties in the NA (8 rooms or more), it is evident from the life stage modelling that demand for more small and medium homes is a more accurate representation of need in the NA;
  - Given the current stock, to avoid any misalignment, about 26% of houses in new developments should be 1 bedroom homes, 36% 2 bedroom and 29% 3 bedroom. A further 3% of homes should be 4 bedroom homes and the remaining 5% should be 5 bedrooms or more; and
  - Whilst the demand for three-bedroom homes will remain significant, it is important to acknowledge that building slightly more 1 or 2 bedroom dwellings will cater for the growing older population and allow older households to downsize (which will make existing larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate.

## 2. Context

### 2.1 Local context

12. Portreath Parish is a coastal village located in the Unitary Authority of Cornwall, on the North Coast between Porthtowan and Gwithian. The Parish is approximately 914 ha in size with a population of 1,336 (according to the 2011 Census).
13. The main settlement within the Parish, and where the majority of the population resides, is Portreath village.<sup>1</sup> The village is sited next to Portreath Beach, which attracts a large number of tourists and surfers each year and contains a harbor of historical significance. The Parish lies within the Cornwall Area of Outstanding Natural Beauty (AONB).
14. Major roads within Portreath Parish include the B3301 and Penberthy road, which passes through the main village at the southern end of the Parish. The A30 does not pass through the Parish but is located just to the east of the boundary. Portreath is located approximately three miles from the town and service centre of Redruth.
15. Portreath Parish was designated as a Neighbourhood Area (NA) by Cornwall Council in December 2017. A map of the NA is provided in Figure 2-1 below.

Figure 2-1: Map of Portreath Parish Neighbourhood Area



Source: Cornwall Council

### 2.2 Planning policy context

16. In line with the basic conditions<sup>2</sup> of Neighbourhood Planning (NP), Neighbourhood Development Plans (NDPs) are required to be in general conformity with strategic policies in the adopted Local Plan. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
17. The Cornwall Local Plan was adopted in November 2016 and sets out strategic policies for the period 2010-2030.<sup>3</sup> The underlying principle of this document is to ensure that future development supports an appropriate balance of jobs, homes, services and facilities. The plan will be subject to periodic review over the Plan period to ensure that the document reflects any changing circumstances.
18. Policies in the Local Plan relevant to this HNA are reviewed in this section:

<sup>1</sup> Portreath Parish Housing Need Survey Report, Available at: <https://www.cornwall.gov.uk/media/25531969/portreath-hns-report-30jan15-v14.pdf>

<sup>2</sup> See Glossary

<sup>3</sup> Cornwall Local Plan, Strategic Policies 2010-2030, Accessed at: <https://www.cornwall.gov.uk/media/22936789/adopted-local-plan-strategic-policies-2016.pdf>



19. **Policy 2 – Spatial Strategy:** The spatial strategy sets out the intended distribution of future development across Cornwall and asserts the need for it to supply a balance of economic, social and environmental benefits. Most 'strategic scale growth' will take place in the main cities and towns, but no specific targets are given and a principle of flexibility underpins the application of this policy.
20. **Policy 2a: Key Targets:** Development proposals over the Plan period to 2030 should help to deliver a minimum of 52,500 homes.
21. **Policy 6 - Housing Mix:** This policy requires that new housing developments of 10 dwellings or more should include an appropriate mix of house size, type, price and tenure to address identified needs and market demand and to support mixed communities. Any new proposals must refer to local evidence of need and demand.
22. **Policy 7 - Housing in the Countryside:** A number of restrictions will apply to new homes in the open countryside and only under special circumstances will they be permitted. New dwellings in the countryside will be restricted to replacement of comparable houses, the subdivision of existing residential houses, the reuse of historic buildings that would enhance the local setting, and the provision of temporary accommodation for workers where there is an essential need and no other accommodation available.
23. **Policy 8 - Affordable Housing:** All new housing schemes in the plan area, where there is a net increase of more than 10 dwellings or a combined gross floor space more than 1,000 square metres, must contribute towards Affordable Housing (AH) needs.
24. In AONB areas, which runs on the Western edge of the Parish boundary until the B3303 road and Battery Hill, the threshold is lowered to a net increase of 5 or more dwellings, though for developments providing between 6 and 10 dwellings a financial contribution can be made in lieu of onsite provision.
25. The policy puts forward a range of targets for the proportion of AH on new development sites to be provided (from 25% to 50%), which are associated with a number of zones within Cornwall based on the average values of homes in those areas. Portreath is included in value zone 4, and therefore subject to a target level of 30% AH on new development sites.
26. The tenure split within AH should generally be 70% affordable rented homes and 30% intermediate housing for rent or sale, subject to evidence of local need and viability constraints.

## 3. Approach

### 3.1 Research Questions

27. Below we set out the research questions relevant to this study, as discussed and agreed with Portreath Parish Council's Neighbourhood Plan Steering Group. Research Questions, abbreviated to 'RQ', are arrived at the start of the project through discussion with the Forum. They serve to direct our research and provide the structure for the Housing Needs Assessment, enabling it to inform an appropriate policy response in the Portreath Neighbourhood Plan.

#### 3.1.1 RQ 1 – Tenure and Affordability

28. Portreath Parish Council (PPC) are very interested in identifying local Affordable Housing (AH) need. Portreath wishes to explore how its Neighbourhood Plan policies can help sustain a vibrant local community that is genuinely affordable. Moreover, Cornwall Council have provided PPC with the AH needs figure and breakdown of sizes needed in the Neighbourhood Area (NA). However, this figure is higher than the overall housing needs figure provided by Cornwall Council, and therefore PPC want to ensure that the tenure and in particular the affordable housing mix for the NA meets local needs.
29. The latest snapshot from the HomeChoice Register is 8 AH, comprised of 4 one-bedroom dwellings, 2 three-bedroom, 1 four-bedroom and 1 five-bedroom.

***RQ 1. What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?***

#### 3.1.2 RQ 2 – Type and size

30. PPC wish to explore the type of housing needed in the NA, especially as they feel that the current types and sizes of homes do not meet local requirements. PPC note that smaller housing is needed to enable older households to downsize. Moreover, Portreath is a sought-after location for those who wish to buy a retirement home, and this demand must also be explored.

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is best suited to meet local needs?***

## 3.2 Relevant Data

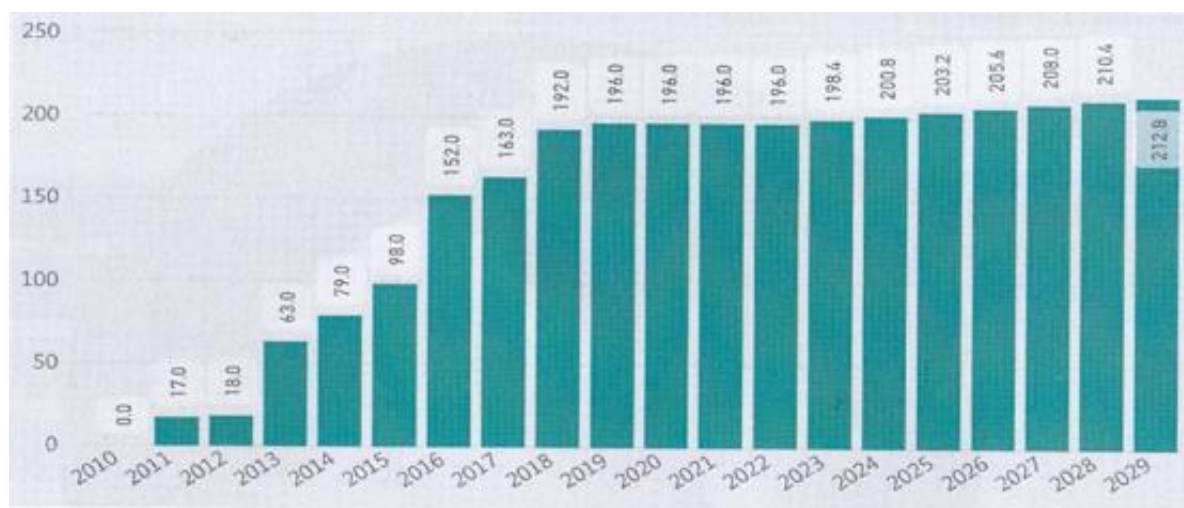
### 3.2.1 Local Authority evidence base

31. The PPG states that those bringing forward Neighbourhood Plans can refer to existing needs assessments prepared by the local planning authority (LPA) as a starting point. As Portreath is within Cornwall Unitary Authority, we approached Cornwall Council to understand the evidence base they have assembled to support the housing policies that appear in their Local Plan.
32. Cornwall Council undertook a Strategic Housing Market Needs Assessment (SHMNA) in collaboration with Plymouth City Council, South Hams District Council, West Devon Borough Council and Dartmoor National Park, which was published in 2013.
33. The purpose of the SHMNA is to provide a strategic view of housing supply and demand in all housing sectors over the period 2011-2031 and to provide the Cornwall Council with a comprehensive understanding of the dynamics and segments of the functional housing market area, which includes Portreath.
34. The SHMNA draws upon a range of data including population and demographic projections, housing market transactions and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the NA.
35. However, the SHMNA was published in 2013 and as such relies on evidence that may by now be considered out-of-date. It is also focused on establishing the objectively assessed quantity of housing needed across the borough, as well as on issues of affordability and tenure that are not considered in this HNA. While it does set out a recommended breakdown of the size and type of market housing required, which this study will reflect upon as appropriate, its relevance for the purposes of this neighbourhood-level assessment is otherwise relatively limited.

### 3.2.2 Other relevant data

36. In addition to the LPA evidence base, we have gathered data from a range of other sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level. This includes Census data providing insights into demographic shifts and Land Registry house price data.
37. Portreath Parish also conducted a housing needs survey in January 2015 using the Cornwall HomeChoice register, a database operated by the Council.<sup>4</sup> It found that there was sufficient local housing need to warrant development of a further 20 affordable homes in Portreath, and recommended that family-size housing of at least two-bedrooms were provided.
38. It is worth noting there have been developments on the south side of the Village and at Chapel Meadows, of various types and tenures.<sup>5</sup> Portreath had a 9% share of the 1000 homes in the rural areas within the Cornwall Local Plan, resulting in a minimum target of 90 homes. Taking recent completions in to account, this target has already been reached.
39. The most recent datum below provided by the Cornwall Council monitoring team showing how numbers of completions and commitments have significantly grown over the first half of the plan period from 2011 to 2019 and how projections level off from 2019, up to end of plan period in 2030.

**Figure 3-1: Completions, commitments and projections: cumulative totals for the plan period**



Source: Cornwall Council monitoring team

<sup>4</sup> <https://www.cornwall.gov.uk/media/25531969/portreath-hns-report-30jan15-v14.pdf>

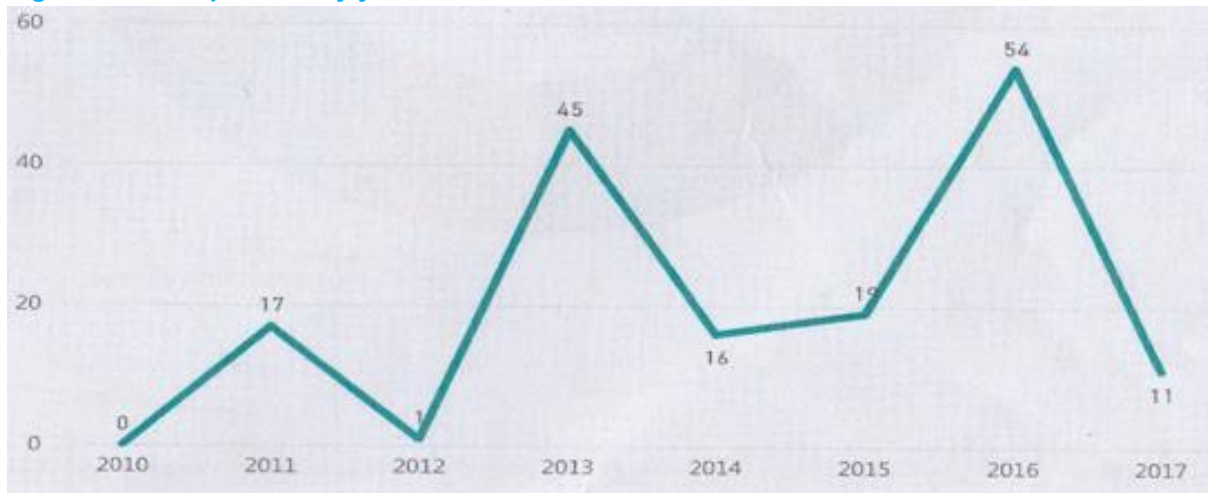
<sup>5</sup> Application ref PA11/01245 created 40 new homes with 20 AH comprising of 2 one-beds, 14 two-beds and 4 three-beds, of which 10 are social rent, 10 intermediate rent and 5 shared ownership.

Application ref PA14/12100 created 39 new homes with 20 AH comprising 4 on-beds, 11 two-beds and 5 three-beds, of which 13 are affordable rent and 7 shared ownership.

Application ref PA12/10992 created 9 affordable comprising 4 two-beds and 5 three-beds, of which 9 are intermediate rent.

Also, it is worth noting that Application ref PA13/06121 allowed for removal of condition on 55 three-bedroom houses to become full residential, although these are all market rent.

**Figure 3-2: Completions by year**



Source: Cornwall Council monitoring team

## 4. RQ 1 Tenure and affordability

### **RQ 3. What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?**

#### 4.1 Background and definitions

40. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the payments that are to be made in return for these rights. Broadly speaking, tenure falls into two categories: Affordable Housing (AH), in which households receive some sort of subsidy to enable them to live in their homes; and market housing, in which they do not.
41. We will address this question by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether the continuation of these trends would meet future needs. Alternatively, we may identify that misalignments exist between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment.<sup>6</sup>
42. It is necessary at this stage of the study to make clear the distinction between Affordable Housing in planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership such as shared ownership, starter homes and discounted housing for market sale.<sup>7</sup> To distinguish this from the colloquial definition of homes that are broadly within reach for the majority of the population, we refer to the latter as affordable market housing.
43. The definition of AH set out in the 2019 NPPF makes clear the government's commitment to home ownership but recognises the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
44. It is important to note, however, that the 2012 version of the NPPF refers to the 'national rent regime' rather than 'Government rent policy'. It has been suggested that this change in wording may give central government, and by extension local authorities, wider flexibility in arriving at social rents.<sup>8</sup>
45. The NPPF seeks to broaden the definition of AH (it had been formerly narrowly defined to cover social and intermediate housing only) to include a range of low-cost housing opportunities for those aspiring to own a home, including Starter Homes.
46. In paragraph 64 of the NPPF 2019, Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.*" In line with PPG,<sup>9</sup> the assumption should be that 'major housing development' can be defined as sites of 10 or more units, and that affordable home ownership includes Starter Homes, Shared Ownership homes and homes available for discount market sale.

#### 4.2 SHMNA and Portreath Parish Housing Need Survey findings

47. The 2013 SHMNA found that Cornwall saw an increase to 16.7% households in the private rented sector in 2011, up from 15.9% in 2001.
48. Cornwall saw notable levels of population growth over this period, with a strong net in migration of people aged 30 – 64, highlighting a desire for more mature working age households to locate to the area.
49. The SHMNA states that many lower income households will be priced out of entering the private housing market, unless they save considerable deposits, and 5,480 households identified as being in 'current need' of affordable housing.
50. 54% of newly forming households in Cornwall were unable to access market housing, based on incomes and lower quartile house prices, and 2,656 future households will be requiring Affordable Housing over the next five years.

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<sup>6</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

<sup>7</sup> NPPF, Feb 2019

<sup>8</sup> McGready, B, Affordable Housing and Planning, MBL seminars, April 2018

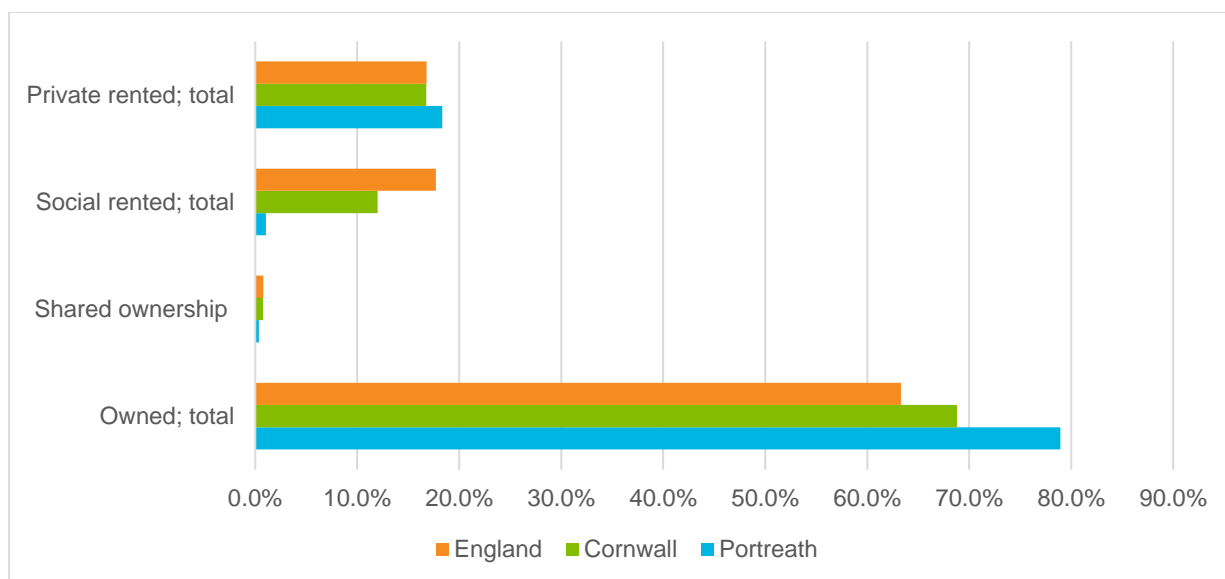
<sup>9</sup> PPG 031 Reference ID: 23b-031-20161116

51. The analysis in the SHMNA overall has, however, shown that currently and in the short-term that while a large proportion of need can only be addressed through traditional social housing products in each authority, there are a number of households in need who could have their needs met through other Affordable products. These could include various 'Intermediate' housing products – providing an important step onto the housing ladder in the future.
52. The Portreath Parish Housing Need Survey has demonstrated that the local need profile is significantly greater than the HomeChoice and Help to Buy South West registers indicated alone. In line with the general housing need across Cornwall, the majority of households are looking for an affordable rented home, with most households able to afford to pay a typical rent of £400-£500. As a result, the provision of additional affordable rented housing in Portreath is important to the wider sustainability of the community, to prevent local people from having to move away.
53. The overwhelming majority (nearly two-thirds) of respondents indicated that they would support an affordable housing-led development in Portreath. This is significant and is clearly representative of the community's desire to support the local population. Furthermore, 41% of all respondents indicated that they would support a development of a size of the current proposal.
54. Since 2015, the Parish has accommodated AH supply within recent developments and has seen people on the Homechoice Register become inactive. These factors may have changed AH demand within the Parish in more recent years.

### 4.3 Current tenure profile

55. In order to set a baseline for our examination of tenure, it is necessary to present the current tenure profile of the NA based on the most recent reliable data. Figure 4-1 below presents Census data from 2011, which shows that Portreath's tenure profile is quite different from that of Cornwall: though they share a similar rate of private renting, Portreath has a significantly lower rate of social renting and a higher rate of home ownership.

**Figure 4-1: Tenure (households), 2011**



Source: ONS 2011, AECOM Calculations

56. It is also important to consider how Portreath's tenure profile has evolved over time. Table 4-1 below shows how tenure patterns changed between the 2001 and 2011 Censuses. The number of households owning their homes has decreased faster in Portreath than Cornwall and England, while rates of social renting grew in Cornwall but declined in England. Portreath's number of shared ownership and social rented households remained stagnant, due to the relatively low number of both types of households in the area. More strikingly, the tenure of shared ownership has expanded considerably in Cornwall and England, hinting at a potential trend for Portreath to follow. Private renting increased significantly at all three scales.
57. It would seem that with rates of social renting stagnating and rates of private renting increasing in Portreath, households at lower income levels are either raising their incomes, leaving the area, buying their homes through Right to Buy, or turning to the lower end of the private rental market to meet their housing needs.
58. Two shared ownership homes emerged from 2001-2011, contributing to an overall high percentage in rate of tenure change for the type.

59. It is worth noting that a comparatively large increase in housing numbers including AH have occurred since 2011, likely meaning that stagnation may have shifted.
60. As will be explored below, shared ownership is an increasingly popular way of meeting the needs of households who cannot afford home ownership through conventional market channels, and it is an encouraging option for households in Portreath to pursue.

**Table 4-1: Rates of tenure change in Portreath, 2001-2011**

Tenure	Portreath	Cornwall	England
Owned; total	-2.1%	2.9%	-0.6%
Shared ownership	200%	22.5%	30.0%
Social rented; total	0.0%	8.9%	-0.9%
Private rented; total	11.5%	53.8%	82.4%

## 4.4 Affordability

61. This section details the affordability requirements for each tenure in Portreath, with reference to average incomes, in order to assess which tenures of housing are within reach for the local population, and what future supply should consist of. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations below.

### 4.4.1 Income

62. Incomes are considered first, as they have an important relationship with the ability of households to exercise choice in the housing market and the level of need for AH products. For this, we use estimates of average household incomes in 2015/16 published by ONS at the Middle-layer Super Output Area (MSOA). As Portreath's parish boundary falls entirely and exclusively within one MSOA (Census code E06000052), the income data is specific to Portreath's residents.
63. The mean quartile household income before housing costs (equalised) in Cornwall for 2016/2017 was £40,820, while the mean quartile household income for England and Wales was £54,200.<sup>10</sup>

**Table 4-2: Household gross weekly pay in the LA by quartile, 2017**

Place	No. jobs	Percentiles								
		Median	Mean	10	20	25	30	40	60	75
England and Wales	23,156	450.7	542.2	144.4	238.7	285.0	317.7	381.9	530.3	629.2
England	22,037	454.0	546.0	144.5	239.3	286.2	318.9	383.3	533.9	632.4
Cornwall	168	359.1	408.2	121.0	189.3	220.2	254.8	312.4	426.0	498.3

Source: Annual Survey of Hours and Earnings, 2017

### 4.4.2 Market housing

64. To determine affordability in market housing, we consider two primary indicators, 'Purchase Thresholds' (PT), which denote the standard household income requirement to access mortgage products, and 'Income Thresholds' (IT), which denote the maximum share of a family's income that should be spent on accommodation costs.

#### Market sales

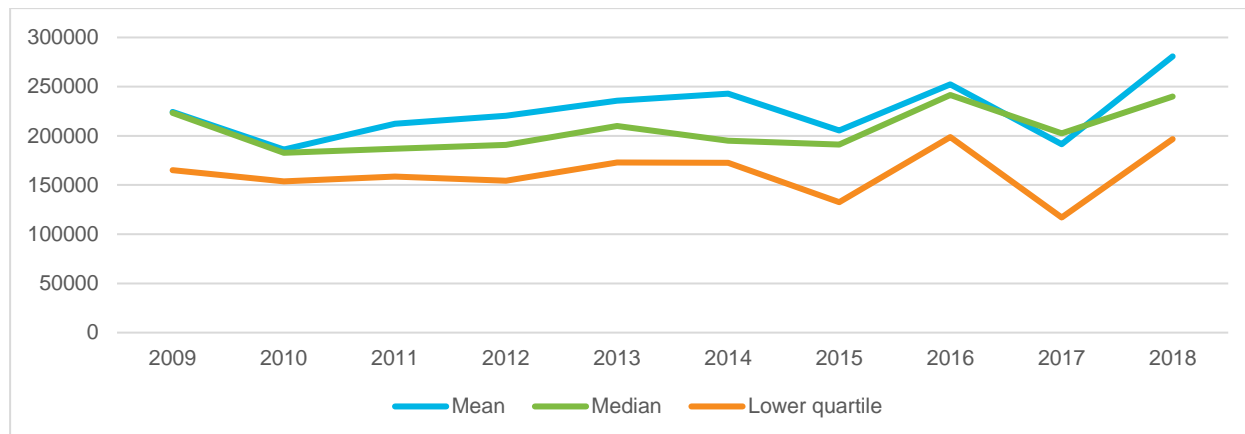
65. The PT is helpful for understanding the affordability of market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below, which the cheapest 25% of houses may be bought and is a measure of 'entry-level' property in the area (cheaper, more affordable housing).<sup>11</sup> An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (a flat or house with two bedrooms). Entry-level properties can therefore also be understood as two-bedroom flats/houses.

<sup>10</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

<sup>11</sup> Definition of 'entry-level' taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

66. To determine the price of market sale homes, we calculated the average price of houses sold in Portreath in 2008-2017, using Land Registry data. The trend over time for each quartile is presented in Table 4-3 below, which illustrates that the market has appreciated very gradually over the last decade, although there was strong growth between 2017 and 2018.

**Table 4-3: Average prices for market sale homes, 2008-2017**



Source: Land Registry

67. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5, because mortgage providers are typically prepared to lend borrowers up to 3.5 times household income.<sup>12</sup>
68. The PT for the average property price in 2018 is £280,752 - 10% = £252,677; £252,677 / 3.5 = £72,193. A household would therefore need to be earning £72,193 annually to afford an average priced property.
69. The PT for an entry-level property is £196,750 - 10% = £177,075; £177,075 / 3.5 = £50,593. A household would therefore need to be earning £50,593 annually to afford an entry-level property.
70. For further comparison, the average prices for various house types in Portreath are presented below, from the period of 2009-2018.

**Table 4-4: Average prices for dwelling types, 2009-2018**

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£251,285	£214,688	£285,042	£297,246	£358,208	£353,417	£236,182	£332,990	£198,278	£377,100	50.1%
Semi-detached	£239,100	£190,000	£200,000	£198,333	£207,250	£189,429	£208,500	£251,838	£215,265	£210,990	-11.8%
Terraced	£214,500	£182,550	£186,333	£181,222	£204,000	£215,114	£229,421	£199,466	£215,183	£207,658	-3.2%
Flats	£123,750	£120,000	£117,500	£110,160	£87,988	£126,500	£147,994	£133,357	£115,086	N/A	N/A
<b>All Types</b>	<b>£224,450</b>	<b>£186,045</b>	<b>£212,212</b>	<b>£220,263</b>	<b>£235,821</b>	<b>£242,705</b>	<b>£205,380</b>	<b>£252,453</b>	<b>£191,512</b>	<b>£280,752</b>	<b>25.1%</b>

Source: Land Registry PPD

#### Private Rented Sector (PRS)

71. The IT is helpful for understanding the affordability of rental market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the scale of the NA, making it impossible to calculate LQ rent price. Nonetheless, as mentioned above, an entry-level dwelling can also be understood as comprising a two-bedroom flat/house.
72. A search of properties available for private rent was made on www.rightmove.com, with the search radius presented in Figure 4-2 on the following page.

<sup>12</sup> Lending criteria: How much a mortgage provider is prepared to lend you (how many times income).



**Figure 4-2: Portreath rental market radius**



Source: <https://www.rightmove.co.uk>

73. The IT examines affordability for rent market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, granular data is not available at the NA scale, making it impossible to calculate LQ rent price. Nonetheless, as we saw, an entry-level dwelling can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on [www.rightmove.com](http://www.rightmove.com), presented in Table 4-5 below. There was 1 property available to rent in Portreath at the time of writing (May, 2019). This is too small a sample for the purpose of understanding the local rental market. Therefore, we have turned to [Home.co.uk](http://Home.co.uk), which provides market rent summary for the wider area, shown in Table 4-5 below.

**Table 4-5: Property rents in and near Portreath by number of bedrooms**

	Number of properties	Average monthly rent
1-bed	9	£468
2-bed	10	£690
3-bed	3	£785
4-bed	1	£1095

Source: <https://home.co.uk>

74. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise and in line with the SHMA, affordability is defined as spending 25% of income on housing costs.<sup>13</sup>

75. The annualised average rents for each size of property in Portreath are given in Table 4-6 on the following page, along with the income threshold needed to afford them, with no more than 25% of income spent on rent.

**Table 4-6: Portreath income thresholds for entry-level rent**

Factor	£
Number 2 bed homes for rent	10
Average price per month	£690
Average price per year	£8,276
Multiplied by 4	£33,106
<b>Income Threshold (PRS)</b>	<b>£33,106</b>

Source: <https://home.co.uk>, AECOM Calculations

76. The average annual rent for Portreath is £9,120, and the income threshold is therefore £36,480.
77. The average annual entry-level rent in Portreath (the average rent for a two-bedroom dwelling) is £8,276, and the income threshold is therefore £33,106.

#### 4.4.3 Affordable Housing

78. The tenures that constitute the new definition of AH within the NPPF are: Social Rent and Affordable Rent, Starter Homes, discounted market sales housing, and other affordable routes to home ownership.
79. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
80. A good example is the introduction of dwellings for Affordable Rent in 2012. Rent for this tenure is set at up to 80% of market rent, with the intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.
81. The overall aim is to reduce the size of the group who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply, given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

#### Social Rent

82. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, they are suitable for the needs of those on low incomes and are subject to strict eligibility criteria.
83. To determine Social Rent prices, we have used the Statistical Data Return (SDR) from the Regulator of Social Housing. This data is only available at the Cornwall level, but operates as an acceptable proxy for Portreath given the shared demographic and employment characteristics identified in this study between the two geographies. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 4-7 below.

**Table 4-7: Cornwall Social Rent levels**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCW	£74	£83	£92	£101	£85
Annual average	£3,829	£4,300	£4,778	£5,259	£4,397
Income needed	£15,317	£17,200	£19,113	£21,037	£17,586

Source: HCA, AECOM Calculations

#### Affordable Rent

84. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH, given that in many areas it reduces rent to levels that are still beyond the means of the target group, i.e. those on incomes substantially below the mean.
85. To determine Affordable Rent prices we can also use the SDR. The data is presented in Table 4-7 below.

**Table 4-8: Cornwall Unitary Authority Affordable Rent levels**

Size	1 bed	2 beds	3 beds	4 beds	All <sup>14</sup>
Average Affordable Rent PCW	£106	£126	£145	£158	£130
Annual average rent	£5,512	£6,552	£7,540	£8,216	£6,760
Income needed	£22,048	£26,208	£30,160	£32,864	£27,040

Source: HCA, AECOM Calculations

**Intermediate tenures**

86. The term 'intermediate housing' describes 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. This can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not Affordable Rent.

*Starter Homes*

87. A Starter Home is a new build home with a value not exceeding £250,000 outside London, which is eligible only for first time buyers aged under 40.
88. The Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of Starter Homes, and a specific duty to require a minimum number or proportion of Starter Homes on certain residential development sites. In paragraph 64 of the NPPF 2019, the Government introduced a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership."
89. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures."
90. This is a substantial watering-down of the Starter Home requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood planners, to decide and promote an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
91. The decision whether to treat Starter Homes as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access affordable market housing for purchase.
92. In order to provide a conservative assessment of the suitability of Starter Homes, we propose to use the value we have estimated for an entry-level dwelling, which is £196,750.
93. Applying a discount of 20% results in an approximate selling price of £157,400. Allowing for a 10% deposit further reduces the remaining value of the property to £141,660. The PT at a multiple of 3.5 is £40,474.

*Shared ownership*

94. There were 2 households living in shared ownership dwellings in Portreath at the time of the 2011 Census, compared with 0 in 2001. Despite the relatively low incidence of the shared ownership tenure, its expansion indicates the potential importance of its future role.
95. Shared ownership involves the purchaser buying an initial share in a property, typically between 25% and 75%, and paying rent on the remaining 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.
96. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time. In exceptional circumstances 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 household income does not exceed £60,000.
97. To determine the affordability of shared ownership, calculations have been based on the entry-level house price in Portreath (£196,750). The deposit available to the prospective purchaser is assumed to be 10% of the value of the

<sup>14</sup> Weighted average

dwelling, and the standard loan-to-value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the IT for PRS).

98. A 25% equity share of £196,750 is £49,188, from which a 10% deposit of £4,919 is deducted. To secure a mortgage of £44,269 (£49,188 – £4,919), an annual income of £12,648 (£49,188 divided by the loan-to-value ratio of 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £147,563. An on-going annual rent equivalent to 2.75% of the value of the unsold equity is then assumed, which is £3,689, and requires an income of £14,756. Therefore, an income of around £27,404 (£12,648 + £14,756) is required to afford a 25% shared equity purchase of an entry-level dwelling.
99. The same calculation has been reiterated for different initial share levels, and the results are presented in Table 4-9 below.

**Table 4-9: Affordability calculator for shared ownership in Portreath**

Shared Ownership	25%	50%	75%
Entry level price	£196,750	£196,750	£196,750
Equity	£49,188	£98,375	£147,563
10% deposit	£4,919	£9,838	£14,756
Mortgage value	£44,269	£88,538	£132,806
<b>Purchase income required</b>	<b>£12,648</b>	<b>£25,296</b>	<b>£37,945</b>
Unsold value	£147,563	£98,375	£49,188
2.5% rent	£3,689	£2,459	£1,230
<b>Rental income required</b>	<b>£14,756</b>	<b>£9,838</b>	<b>£4,919</b>
<b>Total income required</b>	<b>£27,404</b>	<b>£35,134</b>	<b>£42,863</b>

Source: AECOM Calculations

#### Tenure comparison

100. We are now able to directly compare the cost of market rent, market purchase, Social Rent, Starter Homes, Shared Ownership at 25%, 50% and 75%, and Affordable Rent in Portreath, and the level of income needed to afford each of these tenure options. Table 4-10 below summarises the income required to afford each tenure.

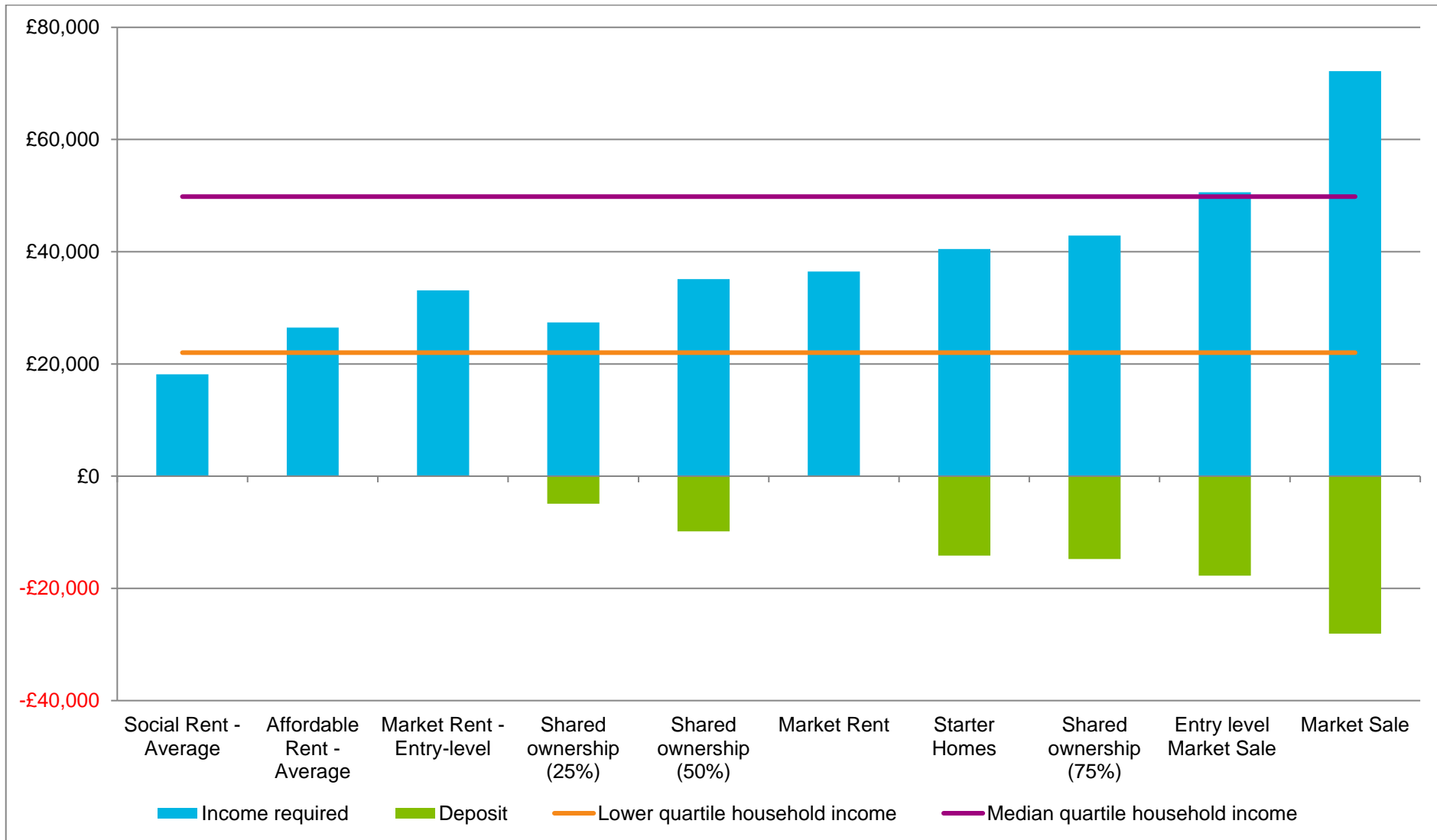
**Table 4-10: Affordability thresholds (income required), Portreath**

Tenure	Cost of purchase	Annual rent	Income Required
Entry-level Market Sale	£177,075	N/A	£50,593
Shared ownership (75%)	£132,806	£4,919	£42,863
Starter Homes	£141,660	N/A	£40,474
Shared ownership (50%)	£88,538	£9,838	£35,134
Entry-level Market Rent	N/A	£8,276	£33,106
Shared ownership (25%)	£44,269	£14,756	£27,404
Affordable Rent	N/A	£6,621	£26,484
Social Rent - 3 Bed Dwelling	N/A	£4,778	£19,113
Social Rent - 2 Bed Dwelling	N/A	£4,300	£17,200

Source: AECOM Calculations

101. The income required to afford these different tenures is then benchmarked against the median quartile annual household income of £49,830 and the lower quartile annual household income before housing costs of £22,020. Figure 4-3 shows that households earning around the average net household income can afford to occupy only the Social Rent, Affordable Rent, and shared ownership (at 25% share) tenures.

Figure 4-3: Portreath household income and affordability of housing tenures



Source: AECOM Calculations

## 4.5 Conclusion - tenure and affordability

102. In terms of Portreath's current tenure profile, the number of households owning their homes has decreased faster in Portreath than Cornwall and England, while private renting increased significantly. This may be due to the conversion of homes for residential use to holiday homes.
103. Portreath's shared ownership and social rented households remained stagnant from 2001-2011, due to the relatively low number of both types of households in the area, but this does not reflect the most recent AH completions. More strikingly, the tenure of shared ownership has expanded considerably in Cornwall and England, hinting at a potential trend for Portreath to follow.
104. According to our calculations, the lower quartile household income (at £22,020) is insufficient to occupy all tenures apart from Social Rent, demonstrating immense need for affordable housing to be provided to residents of Portreath.
105. The price of homes from 2009-2018 rose 25%, contributing to the problem of affordability for residents.
106. Given the strong growth in private renting and shared ownership (from a low base) across Cornwall, it is therefore likely that these tenures are becoming more common as a way to meet demand from those priced out of market home ownership, which is not close to being affordable for the vast majority of people on average incomes. However, entry-level market renting and other affordable routes to home ownership are within reach of households on average incomes, but those earning within the lower quartile bracket can only afford social rented accommodations.
107. There is a clear need, then, for the relatively limited range of tenures available in Portreath to be diversified away from homes for market sale and weighted more towards options that are either currently affordable to most households (such as Social and Affordable Rent), and other options that may become more affordable if supplied in greater numbers or smaller sizes. Achieving or exceeding Cornwall's target of 30% AH on all new developments of 5 units or more should therefore be encouraged wherever possible.
108. In terms of the tenure split of Affordable Housing, it is important to note the affordability pressures that exist among households with below average incomes in Portreath, and the community is particularly concerned about meeting the needs of residents who are increasingly at risk of having to move elsewhere. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent.
109. However, there are clear benefits to increasing the supply of affordable routes to home ownership, particularly given that shared ownership at a 25% share is affordable to households on average incomes, and such tenures should form part of the dwelling mix for new development.
110. On the basis of the evidence we have gathered, the following split of AH tenures is recommended:

**Table 4-11: Recommended tenure split (Affordable Housing)**

<b>Routes to home ownership, of which</b>	<b>30%</b>
Shared ownership	20%
Starter Homes	10%
<b>Affordable Housing for rent, of which</b>	<b>70%</b>
Social Rent	45%
Affordable Rent	25%

Source: AECOM calculations

## 5. RQ 2 Type and size

*RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is best suited to meet local needs?*

111. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock.

### 5.1 Background and definitions

112. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability<sup>15</sup>.

113. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in Census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.

114. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows<sup>16</sup>.

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

115. It is also useful to clarify somewhat the census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, all types which typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained<sup>17</sup>, and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

116. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."<sup>18</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered a household in their own right, and the dwelling would be considered shared.

<sup>15</sup> SHMA15, pp.130, para 8.5

<sup>16</sup> <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>17</sup> <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

<sup>18</sup> Ibid.

117. Whilst it is unlikely that these issues are of particular relevance to Portreath, given that their main applicability is to students and other groups of people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

## 5.2 Existing types and sizes

### Type

118. Table 5-1 below shows the mix of types of dwelling in the NA and how this compares with Cornwall and national geographies.

119. The dwelling mix in Portreath is somewhat similar to that of Cornwall, consisting mainly of detached, semi-detached and terraced homes. It is worth noting that there is a higher proportion of terraced homes (6.5% greater) in Portreath than Cornwall but a slightly smaller proportion of semi-detached homes (5.8% lower). Portreath and Cornwall share a moderately lower proportion of flats than the national average.

**Table 5-1: Accommodation type (households) in Portreath, 2011**

Dwelling type		Portreath	Cornwall	England
Whole house or bungalow	Detached	37.7%	37.7%	22.4%
	Semi-detached	18.7%	24.5%	31.2%
	Terraced	29.3%	22.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	10.8%	8.7%	16.4%
	Parts of a converted or shared house	1.7%	3.6%	3.8%
	In commercial building	1.1%	1.2%	1.0%

Source: ONS 2011, AECOM Calculations

### Size

120. Table 5-2 below shows that households are very slightly smaller in Portreath compared to Cornwall (2.29 against 2.31). This is despite the average number of rooms and bedrooms per household being slightly larger in the NA. In the following paragraphs, we further investigate the size of dwellings in the NA.

**Table 5-2: Occupancy Summary Table**

	Portreath	Cornwall
Number of households	584	230,389
Average household size	2.29	2.31
Average number of rooms per household	5.8	5.6
Average number of bedrooms per household	2.9	2.8

Source: ONS 2011 (KS403EW)

121. It is important to note that Portreath has had 115 completions since this 2011 data, with a further 57 commitments. Occupation of these homes would result in a 29% growth if these completions and commitments become occupied, assuming all those are full-time occupancies.

122. It is also relevant to consider how the number of rooms occupied by households has changed between the 2001 and 2011 Censuses. This metric provides a proxy for the size of dwellings in a given geography. This data is presented on the page below in Table 5-3 and shows that there has been a reasonable decrease (30.6% on average) in medium sized homes (2-4 rooms). Over the same period, there has also been an increase in large properties of 8 rooms or more (41.8%). These trends – generally towards larger homes at the expense of smaller ones – contrast with those visible for wider Cornwall and England as a whole, where there has been moderate growth in 2-3 bedroom dwellings.



**Table 5-3: Rates of change in number of rooms per household in Portreath, 2001-2011**

Number of Rooms	Portreath	Cornwall	England
1 Room	0.0%	-30.0%	-5.2%
2 Rooms	-33.3%	24.9%	24.2%
3 Rooms	-34.0%	17.4%	20.4%
4 Rooms	-24.6%	-1.0%	3.5%
5 Rooms	0.6%	0.7%	-1.8%
6 Rooms	-7.5%	5.2%	2.1%
7 Rooms	15.4%	17.3%	17.9%
8 Rooms or more	41.8%	22.3%	29.8%

Source: ONS 2011, AECOM Calculations

123. Table 5-4 below sets out the distribution of the number of rooms by household accommodation (household space). From this data, 92.6% of the stock in Portreath can be considered family dwellings (four rooms or more) and 16.3% of them are very large properties (with 8 rooms or more). The remaining 7.4% of homes are small to medium sizes of 1-3 rooms. It is evident from Table 5-4 below that these figures align closely with Cornwall.

**Table 5-4: Number of rooms per household space, 2011**

Number of Rooms 2011	Portreath		Cornwall	
	Frequency	%	Frequency	%
1 Room	2	0.3%	1,075	0.5%
2 Rooms	8	1.4%	5,384	2.3%
3 Rooms	33	5.7%	17,822	7.7%
4 Rooms	86	14.7%	42,847	18.6%
5 Rooms	161	27.6%	57,636	25.0%
6 Rooms	124	21.2%	44,933	19.5%
7 Rooms	75	12.8%	26,556	11.5%
8 Rooms or more	50	8.6%	17,223	7.5%
9 Rooms or more	45	7.7%	16,913	7.3%

Source: ONS 2011, AECOM Calculations

124. It is also particularly useful to cross-reference this data with Census estimates of the number of bedrooms for each household in Portreath and Cornwall. Table 5-5 on the page below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The data shows that the distribution of bedrooms in Portreath is fairly similar to that of Cornwall, with just slightly less 1 bedroom homes (6.5% compared to 9%).

**Table 5-5: Number of bedrooms in household spaces, 2011**

Bedrooms	Portreath		Cornwall	
	Number	%	Number	%%
All categories: Number of bedrooms	584	100.0%	230,389	100.0%
No bedrooms	0	0.0%	351	0.2%
1 bedroom	38	6.5%	20,752	9.0%
2 bedrooms	166	28.4%	67,553	29.3%
3 bedrooms	255	43.7%	95,823	41.6%
4 bedrooms	97	16.6%	34,468	15.0%
5 or more bedrooms	28	4.8%	11,442	5.0%

Source: ONS 2011 (QS411EW), AECOM Calculations

### 5.3 SHMNA and Portreath Parish Housing Need Survey Report findings

125. The 2013 SHMNA for Plymouth City Council, South Hams District Council, West Devon Borough Council, Cornwall Council and Dartmoor National Park Authority highlights a projected significant increase in single person households in Cornwall, a notable proportion of which are older person households. This will place increased pressure or demand for smaller housing stock.
126. The projected increase in couple households is also comparatively significant. Again, this suggests a future demand for a range of smaller housing. Examination of the surveyed results of the aspiration of households often shows that couples desire to have housing, which has additional space and flexibility. This therefore suggests a level of demand for smaller 'family' size housing.
127. Cornwall is projected to have a comparatively strong level of population growth with the assumption being that recent trends of high levels of in-migration are sustained.
128. There is a predominant requirement for smaller properties to be sized at least 1 bedroom or 2 bedrooms over the next 5 years in order to meet the majority of affordable housing needs. There is also a lesser requirement for new affordable housing to be sized 3 or 4+ bedrooms to meet the needs of larger, family households.
129. There is a strong net in migration of people aged 30 – 64 with this highlighting a desire for more mature working age households to locate to the area. There is a net outflow of people in the age groups of 70 years and more. This trend could be attributable to factors such as older people migrating out of the area to be closer to family members or due to care requirements.
130. The 2015 Portreath Parish Housing Need Survey Report finds that Portreath is mainly characterized by working-age families, and the local housing stock has evolved in the parish to match this profile closely. Although a popular holiday destination, the survey has demonstrated that the majority of respondents live in family homes, typically consisting of 3-bedrooms, most often in a semi-detached form. However, there is a clear disparity between the proportion of self-contained houses and flats (which are often occupied by younger households), with 85% of respondents currently living in either detached, semi-detached or terraced houses, or bungalows.

#### Conclusion

131. In summary, homes in Portreath are mostly medium sized dwellings with slightly more large dwellings than very small ones, and this is similar to the housing distribution of Cornwall. Recent trends suggest that large homes are still in demand, despite the overall net loss of homes between 2001 and 2011 census period. Due to the loss of homes in this period, it is also necessary to acknowledge life stage modelling in our calculations of type and size, to ensure the housing mix meets the needs of the NA for the duration of the neighbourhood plan period.

### 5.4 Household composition and age structure

132. Having established the current stock profile of Portreath, and identified recent changes in its composition, the evidence assembled in this section shows the composition of households both now and how they are likely to change in future years. Through a consideration of the types of households forming, and the mix of

age groups, it is possible to arrive at recommendations as to how size of housing in Portreath should be influenced by neighbourhood planning policy.

#### Current household composition

133. Household composition is a fundamental factor driving the size of housing that will be needed in Portreath in the future. As of 2011, the NA had 584 households, representing 0.25% of Cornwall's total.
134. In Table 5-6 below, we present data relating to household composition drawn from Census 2011 in the NA. Overall, the findings differ slightly from those of Cornwall. In Portreath, families with no children form a higher proportion of all households than in Cornwall (25.3% against 20.4%). However, there is a slightly lower proportion of one person households in the NA (28.4% vs 30.1%).

**Table 5-6: Household composition (by household) in Portreath, 2011**

		Portreath	Cornwall	England
One person household	<b>Total</b>	28.4%	30.1%	30.2%
	Aged 65 and over	14.6%	14.8%	12.4%
	Other	13.9%	15.2%	17.9%
One family only	<b>Total</b>	63.5%	63.6%	61.8%
	All aged 65 and over	9.9%	10.8%	8.1%
	With no children	25.3%	20.4%	17.6%
	With dependent children	23.1%	23.5%	26.5%
	All children Non-Dependent	5.1%	8.9%	9.6%
Other household types	<b>Total</b>	8.0%	6.3%	8.0%

Source: ONS 2011, AECOM Calculations

#### Future household composition and age mix

135. We now consider how household composition has shifted over the 2001-11 inter-census period, before examining how it is expected to evolve towards the end of the Plan period.
136. Table 5-7 below shows that nearly all household types have seen a decline in the intercensal period apart from families with either dependent children or no children at all. This contrasts with the region, which has generally seen an increase in all categories. Interestingly, Portreath has seen a particularly strong decrease in households aged over 65 (who tend to occupy smaller housing), and the fastest growing group is those with dependent children (who tend to occupy larger housing). This would suggest that future need in Portreath may skew towards slightly larger housing.

**Table 5-7: Rates of change in household composition in Portreath, 2001-2011**

Household type		Percentage change, 2001-2011		
		Portreath	Cornwall	England
<b>One person household</b>	<b>Total</b>	-14.9%	7.3%	8.4%
	Aged 65 and over	-16.7%	-3.1%	-7.3%
	Other	-12.9%	19.9%	22.7%
<b>One family only</b>	<b>Total</b>	0.5%	6.2%	5.4%
	All aged 65 and over	-17.1%	1.0%	-2.0%
	With no children	15.6%	11.9%	7.1%
	With dependent children	2.3%	0.7%	5.0%
	All children non-dependent	-23.1%	16.5%	10.6%
Other household types	<b>Total</b>	17.5%	18.8%	28.9%

Source: ONS 2011, AECOM Calculations

137. It is important to note that whilst there are some contrasts in the rates of change between the NA and Cornwall, the actual amount of change is from a low base, as seen on the following page in Table 5-8.

**Table 5-8: Household composition in Portreath, 2001-2011**

Household type		2001		2011	
		Portreath	Cornwall	Portreath	Cornwall
One person household	Total	604	214,815	584	230,389
	Aged 65 and over	195	64,530	166	69,269
	Other	102	35,223	85	34,137
One family only	Total	93	29,307	81	35,132
	All aged 65 and over	369	137,985	371	146,511
	With no children	70	24,682	58	24,939
	With dependent children	128	41,893	148	46,890
	All children non-dependent	132	53,756	135	54,107
Other household types	Total	39	17,654	30	20,575

Source: ONS 2011, AECOM Calculations

## 5.5 Dwelling mix determined by life-stage modelling

138. In this section, we provide an estimate of the mix of sizes of home needed by the end of the Plan period by matching future household composition to current patterns of occupation by age (working from the assumption set out at the start of this section, in the absence of evidence to the contrary, that the same household types are likely to wish to occupy the same size of homes in 2030 as they did in 2011).
139. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the Cornwall County level and for the years 2014 and 2039. Therefore, we had to estimate what the distribution of households, by the age of the HRP, would be in 2030. The data is presented in Table 5-9 below.

**Table 5-9: Projected distribution of households in Cornwall by age of HRP**

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	6,080	22,862	80,517	45,839	75,091
2014	6,433	23,587	78,794	43,358	85,792
2030	7,092	24,128	81,538	43,526	113,987
2039	7,462	24,432	83,082	43,620	129,847

Source(s): MHCLG 2014-based household projections, ONS 2011(QS111EW) (LC4201EW), AECOM Calculations

140. At this point, it is necessary to derive an estimate of the future change in age structure of the population in Portreath. To do so, the percentage of increase expected for each group in Cornwall, derived from the data presented in Table 5-9, was applied to the 2011 population of Portreath. The results of our calculation are detailed in Table 5-10 below:

**Table 5-10: Projected distribution of households in Portreath by age of HRP**

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	9	53	217	131	174
2014	10	55	212	124	199
2030	10	56	220	124	264

Source: ONS 2011(QS111EW) (LC4201EW) AECOM Calculations

141. In Table 5-11 on the following page, we again use data from the work from the MHCLG 2014-based household projections and set out the distribution of dwellings of different sizes occupied by households according to the age of the HRP.

**Table 5-11: Age of household reference person to size, grouped (Cornwall)**

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	22.1%	12.5%	6.9%	7.7%	10.5%
2 bedrooms	44.8%	40.2%	23.7%	25.5%	33.1%
3 bedrooms	20.5%	37.2%	44.4%	42.6%	40.9%
4 bedrooms	6.3%	7.7%	18.7%	18.0%	11.9%
5+ bedrooms	6.3%	2.4%	6.1%	6.2%	3.6%

Source(s): MHCLG 2014-based household projections, ONS 2011 (CT0621), AECOM Calculations

142. Having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Cornwall and Portreath falling into each of these stages at the end of the Plan period in 2030, it is possible to put forward recommendations regarding how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand.

**Table 5-12: Ideal size distribution in Portreath in 2030, according to household life-stages**

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Pop 2030	10	56	220	124	264	-
1 bedroom	2	7	15	10	28	75
2 bedrooms	5	22	52	32	87	223
3 bedrooms	2	21	98	53	108	291
4 bedrooms	1	4	41	22	31	103
5+ bedrooms	1	1	13	8	10	37

Source: Census 2011, AECOM Calculations

143. It is now possible to compare the housing mix in terms of size in 2011 against the projected requirement based on the ideal size distribution in Portreath set out above. Table 5-13 below indicates that, by 2030, the distribution of dwellings should be weighted more towards the small to medium part of the size spectrum, with a particular focus on dwellings with two and especially three bedrooms. There would appear to be little further need for homes with 5 or more bedrooms.

**Table 5-13: Size distribution in 2011 compared to ideal distribution in 2030 (Portreath)**

Number of bedrooms	2011		2030	
1 bedroom	38	6.5%	62	9.2%
2 bedrooms	166	28.4%	198	29.4%
3 bedrooms	255	43.7%	282	41.7%
4 bedrooms	97	16.6%	100	14.8%
5 or more bedrooms	28	4.8%	33	4.9%
Total households	584	100.0%	675	100.0%

Source: Census 2011, AECOM Calculations

144. Table 5-14 on the following page shows the misalignment between demand for housing, based on the preferences expressed by households at different life-stages, and the current stock available in the NA. The result calls for a significant proportion of new development to deliver 2 bedroom homes, followed by a similar number of 1 and 3 bedroom homes, and very few larger dwellings. That 1 bedroom dwellings constitute 26% of new dwellings needed is surprising in light of the finding above that only 9% of all dwellings need to be homes of this size. The reason for this is the particularly low number of 1 bedroom homes present in the existing housing stock.
145. It is important to note that developments since 2011 have gone some way to correct the change in housing mix, with both the Gwel an Mor and Chapel Meadows developments weighted towards 1, 2 and 3 bedroom supplies.

**Table 5-14: Misalignments of supply and demand for housing**

Number of bedrooms	2011	2030	Change to housing mix	Recommended split
1 bedroom	38	62	24	26.3%
2 bedrooms	166	198	32	35.8%
3 bedrooms	255	282	27	29.3%
4 bedrooms	97	100	3	3.4%
5 or more bedrooms	28	33	5	5.3%

Source: AECOM Calculations

## 5.6 Conclusion- type and size

146. The type of home (detached, semi-detached, terraced or flat) is more a matter of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet local needs, based on the current stock transaction data from the land registry, are detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.
147. In terms of addressing elderly populations, approaches such as the 2018 Housing our Ageing Population Panel for Innovation (HAPPI 4) study and the 2016 Designing for Downsizers Study (DWELL) might be consulted for future reference. Lifetime Homes Standards can also be viewed as helpful approach to dwelling requirements.
148. It is important to take in to account the specificities of place, such as unique landscape character and topography, Village Character and World Heritage Site designations, when addressing Portreath's housing needs and its ability to develop sustainably and appropriately.
149. In terms of dwelling sizes, the following conclusions emerge for this analysis:
- Households are very slightly smaller in Portreath compared to Cornwall (2.29 against 2.31). This is despite the average number of rooms and bedrooms per household being slightly larger in the NA;
  - There has been a reasonable decrease (30.6% on average) in medium sized homes (2-4 rooms) in Portreath. However, there has also been an increase in large properties of 8 rooms or more (41.8%);
  - Whilst an analysis of property types and sizes in the intercensal period suggest that there is a growing demand for large properties in the NA (8 rooms or more), it is evident from the life stage modelling that demand for more small and medium homes is a more accurate representation of need in the NA;
  - Given the current stock, to avoid any misalignment, about 26% of houses in new developments should be 1 bedroom homes, 36% 2 bedroom and 29% 3 bedroom. A further 3% of homes should be 4 bedroom homes and the remaining 5% should be 5 bedrooms or more; and
  - Whilst the demand for three-bedroom homes will remain significant, it is important to acknowledge that building slightly more 1 or 2 bedroom dwellings will cater for the growing older population and allow older households to downsize (which will make existing larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate.

## 6. Conclusions

### Conclusions and Recommendations

150. The conclusions and recommendations of this Housing Needs Assessment are designed to form evidence informing a policy response in the forthcoming Portreath Neighbourhood Plan. As such, below, in Table 6-1, we summarise conclusions and recommendations on factors affecting the type and quantity of housing needed in Portreath.

**Table 6-1: Overall conclusions of Portreath Neighbourhood Plan Housing Needs Assessment**

Factor	Source(s) (see Chapter 3)	Evidence	Conclusion
<b>Tenure and Affordability</b>	AECOM Calculations, Census 2001/2011, Land Registry PPD, RSH, <a href="https://www.rightmove.co.uk">https://www.rightmove.co.uk</a> , <a href="https://www.home.co.uk">https://www.home.co.uk</a>	<p>The price of homes from 2009-2018 rose 25%, contributing to the problem of affordability for residents, whose average income tends to be 25% less than the national average.</p> <p>There is a clear need for the relatively limited range of tenures available in Portreath to be diversified away from homes for market sale, and weighted more towards options that are either currently affordable to most households (such as Social and Affordable Rent), and other options that may become more affordable if supplied in greater numbers or smaller sizes. Achieving the Cornwall's target of 30% AH on all new developments over 5 units should therefore be encouraged wherever possible.</p>	<p>On the basis of the evidence we have gathered, the following split of AH tenures is recommended:</p> <p><b>Shared ownership: 20%</b></p> <p><b>Starter Homes: 10%</b></p> <p><b>Social Rent: 25%</b></p> <p><b>Affordable Rent: 25%</b></p>
<b>Type and Size</b>	AECOM Calculations, ONS 2011 MHCLG 2014-based household projections, MHCLG 2011-based household projections	<p>Homes in Portreath are mostly medium-sized, and this reflects the housing distribution of Cornwall. Recent trends suggest that large-sized homes have become more popular in the NA, as there has been a significant increase in the amount of these homes delivered over the intercensal period.</p> <p>In Portreath, nearly all household types have seen a decline in the inter-census period apart from families with either dependent children or no children at all. This contrasts with Cornwall, which has generally seen an increase in all categories.</p>	<p>Whilst an analysis of property types and sizes in the intercensal period suggest that there is a growing demand for large properties in the NA, it is evident from the life stage modelling that demand for more small and medium homes is a more accurate representation of the needs of local people.</p> <p>Given the current stock, to avoid any misalignment, the final recommended housing split for new dwelling provision is as follows:</p> <p><b>1 bedroom: 23%</b></p> <p><b>2 bedrooms: 36%</b></p> <p><b>3 bedrooms: 23%</b></p> <p><b>4 bedroom: 3%</b></p> <p><b>5+ bedroom: 5%</b></p>

## 6.1 Recommendations for next steps

151. This neighbourhood plan housing needs advice has aimed to provide Portreath Parish Council with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Cornwall Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic policies in the adopted Local Plan;
  - the views of Cornwall Council– in particular in relation to the housing need figure that should be adopted;
  - the views of local residents;
  - the views of other relevant local stakeholders, including housing developers; and
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Cornwall Council, including but not limited to the SHLAA;
  - the recommendations and findings of this study; and
  - The impact of the new Government proposed standard methodology on calculating housing need on Cornwall and its neighbourhoods.
152. Recent and potential forthcoming changes to the planning system as well as the implementation of the Housing and Planning Act will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
153. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
154. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by Cornwall Council, or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
155. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1) would help ensure relevance and credibility of its policies.



## 7. Housing Needs Assessment Glossary

### Adoption

The final confirmation of a local plan by a local planning authority.

### Affordability<sup>19</sup>

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

### Affordable Housing (NPPF Definition)/Intermediate Housing<sup>20</sup>

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents 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. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). 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.

### Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime\*\* but is subject to other rent controls that require a rent of no more than 80% of the local market rent (Including service charges, where applicable)\*\*\* \*\* The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). \*\*\* Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority has issued an explanatory note on these at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

### 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 made at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

<sup>19</sup> <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

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

### **Backlog need**

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

### **Bedroom Standard<sup>21</sup>**

A measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence. The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ underoccupation. 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 principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

### **Community Right to Build Order<sup>22</sup>**

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

### **Concealed Families (Census Definition)<sup>23</sup>**

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

### **Equity Loans/Shared Equity**

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

### **Extra Care Housing<sup>24</sup>**

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats,

<sup>21</sup> <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

<sup>22</sup> <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>23</sup> [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

<sup>24</sup> <http://www.housingcare.org/jargon-extra-care-housing.aspx>

bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

### **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.

### **Habitable Rooms**

The number of habitable rooms in a home is the total number of rooms, less 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 (PPG Definition)<sup>25</sup>**

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, such as Starter Homes, the Government's flagship 'housing product'.

### **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 a number of households, for example a shared kitchen, are not counted.

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<sup>25</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

**Housing Type (Census Definition)**

This refers to the type of accommodation used or available for use by an individual household, including 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 2001-2011**

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 at 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 the parish level so District level data is employed on the basis of the NA falling within a 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 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 and the Greater London Authority, to the extent appropriate to their responsibilities.

**Local Plan**

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, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

**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 (PPG Definition)**

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. It is the opposite of affordable housing.

**Mean (Average)**

The sum of all values divided by the number of values. The more commonly used "average" measure as it includes all values, unlike the median

**Median**

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

**Median Affordability Ratio**

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

**Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>26</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

**Neighbourhood Plan**

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

**Older People**

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

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

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's

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<sup>26</sup> <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

### **Overcrowding**

There is no one 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 (PPG Definition)**

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.

### **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 units 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%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

### **Sheltered Housing<sup>27</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all

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<sup>27</sup> <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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 LAA (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, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>28</sup>

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<sup>28</sup> <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>





