



Necton Housing Needs Assessment (HNA)

February 2022

Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HNA	Housing Needs Assessment
HRP	Household Reference Person (head of household)
LPA	Local Planning Authority
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area (Census)
ONS	Office for National Statistics
PPG	Planning Practice Guidance
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

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1. Executive Summary

1.1 Population and housing statistics

1. The Office for National Statistics (ONS) mid-2019 population estimate for Necton parish is 2,119 people, indicating population growth of around 196 individuals since the 2011 Census. This aligns extremely closely with the increase of 89 homes from 924 in 2011 to 1,013 today, which might be expected to yield 195 new residents (at Necton's 2011 Census average household size of 2.19 people).
2. Breckland Council has provided Necton with definitive housing target of 283 for the period 2011 to 2036 in Policy HOU 02 of the Local Plan. A large proportion of this target is already built or expected to be delivered in the near future. Breckland Council data confirms that (in addition to the 89 delivered since 2011) there are sites capable of supplying 99 further homes in the planning pipeline or under construction. The total number of completed and committed dwellings is therefore 188, leaving 95 further homes to be planned for to 2036.

1.2 Conclusions- Tenure and Affordability

Affordability issues

3. Necton's current tenure mix reveals a very high rate of home ownership (80%) compared to wider Breckland (69%) and England (63%). Necton had a lower proportion of Affordable Housing than the district at the time of the 2011 Census, but this has risen slightly in the years since and is anticipated to significantly increase in 2022/23 with the delivery of a 73-unit Affordable Housing only scheme. The proportion of all housing that is in affordable tenures will rise from 11% to 17% with the completion of this scheme and another entry-level exception site providing up to 22 First Homes, to exceed the rate for Breckland in 2011.
4. However, it is worth noting that aside from these two sites, past and future Affordable Housing delivery in Necton is relatively low. Less than 14% of the 89 homes built since 2011 were affordable, well below the Local Plan policy target of 25%, and all of the other 26 homes in the development pipeline are in market tenures. This is because development has tended to take place on infill sites that are not large enough to meet the threshold above which Affordable Housing policy applies.
5. Of the 95 upcoming affordable homes, 63 are for affordable or social rent and 32 are to be offered as affordable home ownership products (primarily First Homes). Despite the large injection of affordable supply overall, there will remain an opportunity to provide more affordable routes to home ownership going forward.
6. Home values in Necton have increased slightly by 60-75% the last ten years, with the result that the average (mean) home costs £113,000 more today than in 2011 and the lower quartile (or entry-level) home costs £73,000 more – presenting a

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significant additional barrier to home ownership and an immense challenge for those with lower incomes wishing to buy locally.

7. Land Registry records no sales of new build properties in Necton in 2020, however there were 6 new properties sold in 2019 and a further 5 in 2018. Of the 11 newly built properties sold in the last three years, the median price was £225,000. This is almost identical to the overall median price of existing housing in Necton in 2020, and might therefore suggest that newly built housing and existing housing costs the same. However, on a like-for-like basis this is unlikely to be true as there is wide variation in the size of plots, livable floorspace and other features between new and existing housing. It is also likely that new build prices today will be higher than they were in 2018/19.
8. The price premium associated with newly built housing presents a further challenge to households relying on new development to enable them to live locally, whether in open market housing or through affordable routes to ownership like shared ownership and First Homes, which will be priced with reference to their open market value.

Tenure options

9. AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Necton is £40,000, and the lower quartile income (per person) for Breckland was £13,379 in 2019.
10. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area. Significantly higher incomes or larger deposits (such as the equity owned in an existing home) would be needed for local households to purchase homes priced at and above the median. For lower than average earning households, market housing is expected to remain out of reach. Home ownership through the mainstream market is not an option for the majority of local people.
11. Private renting is generally affordable to most households in Necton, assuming that the price benchmarks used here – which had to include a wider area to create a robust sample – are representative of the housing available in Necton. The fact that a 5-mile radius needed to be used to find examples of rental listings points to a lack of such accommodation in the parish. Because private renting offers a more affordable and flexible option than ownership, and can also accommodate lower earners in receipt of housing benefit. It is a valuable part of the tenure mix that is undersupplied in Necton (the rate of private renting was 8% in 2011, compared with 15% across Breckland).

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12. Households with two lower earning individuals appear just about able to afford entry-level private rent when it is available. Affordability is further improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. Households with two lower earners might be able to access larger properties in this way.
13. There is a relatively large group of households in Necton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,000 per year (at which point entry-level rents become affordable) and £47,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
14. All of these products would be valuable to different segments of the local population, with shared ownership potentially allowing lower earning households to get a foot on the housing ladder but bringing relatively high monthly outgoings, while rent to buy offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes provides the best long-term support to those with the slightly higher incomes able to afford both the mortgage and the deposit.
15. Local Plans and Neighbourhood Plans have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This HNA finds that a discount level of 40% is necessary to make First Homes affordable to the target group and would be justified in Necton. Seeking higher discounts on First Homes may, however, have viability implications on schemes that could reduce the overall number of affordable homes, so the potential implications should be thought through with Breckland Council.
16. Affordable rented housing is affordable to households with two lower earners (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including smaller socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit. The affordable rented sector performs a vital function in Necton as the only option for a large segment of those in the greatest need. Being cheaper for the occupant, social rent performs this function best.

Quantity of Affordable Housing needed

17. This report estimates Necton's Affordable Housing needs through two calculations that use up-to-date and locally-specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.
18. The result of the first calculation is a surplus of 0.6 units per year (or 8 rounded over the 14-year Neighbourhood Plan period). This is initially surprising given that there is

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currently a backlog of 15 households in need (according to Breckland Council data). However, what the model is suggesting is that turnover in the existing stock (as current occupants move to a new location, pass away or cease to be eligible as their circumstances change) should be sufficient to meet newly arising needs as well as the current backlog.

19. That said, there is a mismatch between need and supply: we know, for instance, that only 2 of the 112 units of affordable rented housing in Necton have 1 bedroom, and yet this size category is by far the most common that applicant households need or are eligible for.
20. For this and other reasons Necton does still need to deliver some affordable rented housing, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district. This function is more than adequately provided by the 63 units of affordable rented accommodation expected to complete in the next few years. However, these new homes may need to meet the needs of the wider district and so it should be monitored how far the backlog of needs among Necton residents specifically is reduced as a result of this supply.
21. Turning to Affordable Housing providing a route to home ownership, it is estimated that around 4.2 households per year may be interested in such products (equating to a total of 62 over the Plan period. Though 32 units of affordable home ownership are expected to be delivered in the next few years, it is more appropriate to deduct these from the identified need rather than to incorporate them as existing stock that may come vacant in the coming years. This would leave potential demand for a further 30 units of affordable home ownership in Necton over the Plan period. Though it should be noted that the properties currently in the pipeline will not be offered exclusively or as a priority to Necton households.
22. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Policy considerations

23. Breckland's adopted policy in relation to Affordable Housing (HOU 07) requires 25% of new housing on sufficiently large sites to be affordable. This target is not usually met in the NA because most sites do not meet the 10-dwelling threshold above which the policy applies or for viability reasons.
24. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in Necton,

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- and there may be advantages to planning for additional delivery beyond the large site currently in the pipeline – particularly for affordable home ownership products.
25. The suggested tenure split within Affordable Housing in the Local Plan (70% rented to 30% ownership) puts an emphasis on affordable renting that appears to be unnecessary in Necton, where upcoming supply and turnover in the stock has the potential to satisfy both newly arising need and the current backlog for of around 15 households.
 26. While delivering some affordable rented housing is important – to help meet the backlog, insure against the possibility that the wider district's needs may take precedence in the allocation of the 63 new homes, protect the interests of those on the lowest incomes, and future proof the housing stock in case circumstances change – there is also an opportunity here to widen access to home ownership through more subsidised tenure options like First Homes.
 27. AECOM recommends that roughly one third of any further Affordable Housing in Necton should take the form of rented tenures such as social and affordable rent, with two thirds as affordable routes to home ownership. It is important to emphasise that this recommendation has been arrived at through the professional judgement of AECOM on the balance of the factors listed in section 4.5 of this report. It is equally valid for the Parish Council to take a different interpretation based on the evidence gathered here as well as the objectives and opinions of the community (which are important factors in this policy area), and through engagement with Breckland Council.

1.3 Conclusions- Type and Size

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

The existing housing stock

29. Necton's housing mix is dominated by detached homes and bungalows, with some semi-detached dwellings and very few terraces and flats. More than half of dwellings are bungalows, a feature that may explain the relatively older demographic profile than wider Breckland.
30. That less than 7% of homes in Necton fall into the categories of terraces and flats (which tend to be more affordable than other types) might be expected to limit the options for local people on lower incomes, whether they are able to buy or rent.

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31. However, the mix of homes in the future development pipeline is much more evenly balanced than the 2020 baseline, with a number of terraces and flats coming forward (primarily in affordable tenures) and a particularly large number of semi-detached homes. Recent development has helped to widen choice in the market in terms of dwelling type.
32. In terms of dwelling size, the mix of housing locally is heavily weighted towards the middle of the size spectrum, with 82% of homes having 2-3 bedrooms, and less than 3% having 1 bedroom. This aligns with the picture of dwelling types because bungalows tend to have 2-3 bedrooms and there are very few flats (the most likely category to have just 1 bedroom).
33. The pipeline of future supply is exaggerating the existing dominance of 2–3-bedroom housing rather than diversifying the stock as is happening for dwelling types. It is also interesting to note that the new market housing is almost exclusively large, detached housing being built on individual plots, while the more large-scale affordable housing is more evenly balanced (and dominated by homes with 2-3 bedrooms).

Demographics

34. The age structure of the population is a key indicator of the future need for housing. Necton has a much older population profile than Breckland and England. The older age brackets have also grown the fastest between the 2011 Census and the latest ONS estimates for 2019. Currently around 63% of the population are aged over 45 and 37% are aged over 65.
35. Compared to Breckland, a far higher proportion of single person households in Necton are aged over 65 and a lower proportion of family households have dependent children, although the number of children is estimated to have increased between 2011 and 2019.
36. Necton has a high rate of under-occupancy, particularly given the relatively low number of bedrooms in the housing stock, with 79% of people living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census).
37. Applying ONS household projections for Breckland to the Necton population suggests that by 2036 the 65 and over cohort could increase by over two thirds on 2011 levels to become by far the dominant group at 69% of the projected total, while the youngest age groups stagnate. It is clear that ageing will be a major driver of housing need in Necton going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.

The future dwelling mix

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38. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that new development should be focused on larger and smaller than average homes, with some continued provision of the already most common 3-bedroom homes. It is recommended that 32% of homes have 1 bedroom, 21% have 3 bedrooms and 47% have 4+ bedrooms.
39. This result corrects imbalances in the existing stock of housing, particularly the very low number of 1 and 4+ bedroom homes compared with district levels. The key message is that regardless of how the population evolves there is likely to demand for a wider range of dwelling sizes than is available currently.
40. 1 and 4 bedroom homes are also well-suited to young or newly-forming households and growing or multigenerational families respectively. Both of these groups are under-represented in the community at present, with significantly fewer households having dependent children than at wider geographies, and comparatively low and stagnating numbers of 16-44 year olds. Providing these home sizes would help to create a more demographically balanced community.
41. However, the result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population. For example, the large potential cohort of downsizing older households may have different requirements than are served by the existing stock of mid-sized bungalows. The youngest newly forming households may also prefer to have 2 bedrooms than 1 if they can afford to do so. And if the community wishes to improve affordability in market housing, the focus on larger homes in this recommendation may not be appropriate.
42. As such, it is recommended that a reasonable degree of priority is given to larger and small homes but that this is done in a way that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

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2. Context

2.1 Local context

43. Necton is a Neighbourhood Area (NA) located in the District of Breckland in Norfolk.
44. The NA boundary aligns with that of the civil parish of Necton. It was formally designated as an NA by Breckland Council in March 2021.
45. The parish is centred on the village of Necton but also covers a relatively wide rural area surrounding the village. Necton is located around 4 miles east of Swaffham and 7 miles west of Dereham, both of which are accessible via the A47 road which runs through the parish. There is a regular bus service and the nearest train station is at Dereham.
46. Necton village offers a range of amenities including Necton Primary School, Sherwood Stores and Post Office, a community centre, GP surgery and pub as well as the Grade I listed All Saints' Church. The government Inter-Departmental Business Register showed 39 businesses operating in the parish in 2016.
47. The proposed Neighbourhood Plan period extends to 2036 in line with the end-date of the recently adopted Breckland Local Plan, and for the purpose of this assessment is assumed to begin in 2021, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.

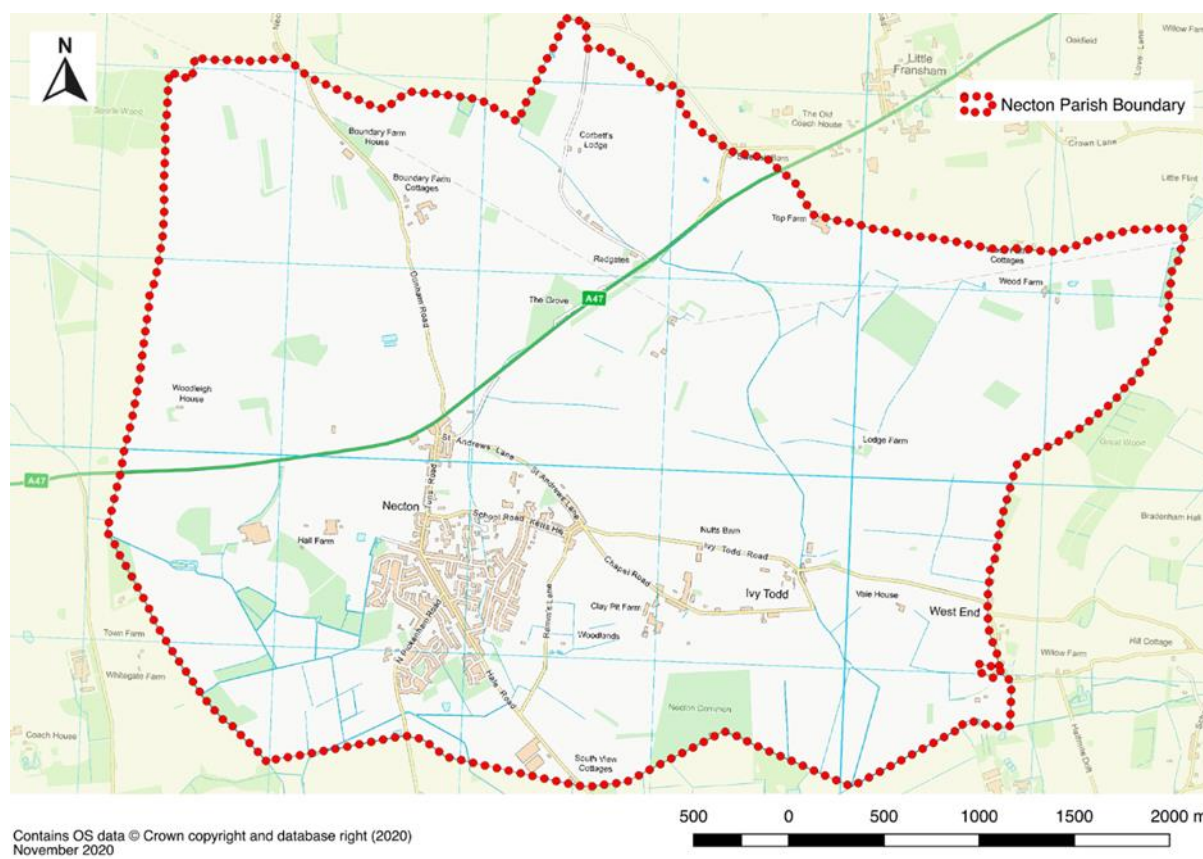
The NA boundary

48. A map of the designated NA is shown in Figure 2-1.
49. Data for Necton parish was captured in the 2011 Census. Up-to-date population estimates can also be obtained for parishes. However, for other datasets including the 2001 Census, the parish needs to be recreated using statistical units called Output Areas (OAs).
50. The NA/parish boundary, however, aligns perfectly with a single Lower Super Output Area (LSOA E01026446). Data for this area allows trends from the 2001 Census to be observed and can also be used to interrogate other datasets with relevance for demographic and housing need issues. Where house prices from Land Registry are cited, these figures refer to all transactions with a postcode within the parish boundary.
51. When thinking about the current stock of housing in Necton two approaches are used for maximum accuracy. One is to look at Valuation Office Agency (VOA) data that gives a relatively up-to-date picture of the dwelling mix by type and size, taken from Council Tax reporting. The other is to take the dwelling stock profile at the time of the 2011 Census and combine it with more recent information on the homes that have been built since, provided by Breckland Council.

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- 52. Because of the early base date of the Breckland Local Plan (2011), Necton is in the relatively unusual position of having the vast majority of its housing target either recently built or under construction. It has been agreed with the Parish Council that incorporating imminent completions into the baseline data of what housing exists in the parish is the best way of understanding what should be built in future.
- 53. This has been attempted in the most accurate way possible, with any limitations in the data highlighted where relevant. While not perfect, this picture of the housing mix existing in the near future is considered more than sufficient as a baseline against which future needs can be understood.
- 54. Throughout this report 'Necton' will be used to refer to the entire NA, unless specified to mean Necton village.

Figure 2-1: Map of the Necton designated Neighbourhood Area



Source: Breckland Council

Headline population and housing statistics

- 55. The statistics show that at the time of the 2011 Census Necton parish had a total of 1,923 residents, formed into 877 households, and 924 dwellings (47 of which were vacant at that time or used as second homes).
- 56. Data supplied by Breckland Council indicates that since 2011 there have been 89 new dwellings built in the NA. The total quantity of dwellings in the NA as of 2021 is therefore estimated to be 1,013. The VOA snapshot of the housing stock in 2020

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gives a total for Necton of between 1,000 and 1,020 (depending on how it is tallied, due to rounding). This validates the estimate of 1,013.

57. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Necton is 2,119 – indicating population growth of 196 individuals since 2011. This aligns extremely closely with the increase of 89 homes, which might be expected to yield 195 new residents (at Necton’s 2011 Census average household size of 2.19 people).
58. The various ways of estimating the current population and dwelling stock totals are all in close alignment here. They remain estimates however, so the publication of 2021 Census statistics will provide valuable confirmation.
59. Data sources for the population and the existing housing stock that are more recent than the 2011 Census will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be brought fully up to date in this way. Such patterns are instead generally assumed to persist to the present day.

2.2 Planning policy context

60. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.¹ Those having relevance to housing are reviewed here.
61. In Necton’s case, the Breckland Local Plan was adopted recently, in November 2019. This single document, which sets out the spatial vision and strategy for the district to 2036, therefore represents the adopted local policy context beneath which the Neighbourhood Plan will sit. There is no draft or emerging new Local Plan that needs to be considered at this point in time.
62. The following table summarises policies from the Adopted Breckland Local Plan that are relevant to housing needs in Necton.

¹ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

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Table 2-1: Summary of relevant adopted policies of the adopted Breckland Local Plan 2019²

Policy	Provisions
GEN 03 – Settlement Hierarchy	<p>The distribution of development across the district follows a hierarchy of settlement types ordered according to their provision of or proximity to public transport, employment, and other facilities and services.</p> <p>Categories range from the Key Settlements of Attleborough and Thetford where development will be most concentrated, to Villages with Boundaries where development is least suitable. The two middle categories in the hierarchy are Market Towns and Local Service Centres. Necton is one of 18 Local Service Centres.</p>
HOU 01 – Development Requirements (Minimum)	<p>The Local Plan provides for at least 15,298 new homes in Breckland between 2011 and 2036, equating to an annual average of 612 dwellings.</p> <p>This figure was calculated in the 2017 Update to the Strategic Housing Market Assessment (SHMA) for the five central Norfolk authorities.</p>
HOU 02 – Level and Location of Growth	<p>This policy sets out development targets for each settlement in the district.</p> <p>The figure for housing growth in Necton from 2011 to 2036 is 283. At the time of the publication of the Local Plan, this was composed of 80 completions between 2001 and 2018, 124 homes committed on sites with planning permission, 46 homes on a site awaiting a planning decision (Eme Farm), 15 homes on proposed allocations and a further 18 to be met outside of the existing boundary through Policy HOU 03 (see below).</p>
HOU 03 – Development Outside of the Boundaries of Local Service Centres	<p>Development outside of the boundaries of Local Service Centres will be resisted where the target set out in HOU 02 is provided for in full. In Necton the sum of existing commitments and allocations falls 18 dwellings short of the target, so this remainder of 18 homes is identified as being able to be met outside of the settlement boundary.</p> <p>Sites outside of the boundary are required to meet certain conditions, such as not exceeding the housing target, being immediately adjacent to the boundary, and being sensitively designed.</p>

² Available at https://www.breckland.gov.uk/media/16659/Adopted-Breckland-Local-Plan/pdf/Local_Plan_2019.pdf?m=637520995029430000

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Policy	Provisions
HOU 06 – Principles of New Housing	<p>Proposals for new housing must take account of the need identified in the most up to date SHMA, particularly around the mix house sizes, types and tenures, and the needs for all groups in the community – including older and disabled people, service families and those wishing to build their own home.</p> <p>The policy also provides guidance on density (which should be appropriate to the locality) and parking provision.</p>
HOU 07 – Affordable Housing	<p>Residential development proposals capable of delivering 10 or more units, or on sites larger than 0.5ha, are expected to deliver 25% of the new homes as Affordable Housing.</p> <p>The mix of sizes and tenures of the Affordable Housing should meet the need identified in the latest SHMA – currently a tenure split of 70% social/affordable rent to 30% affordable home ownership products.</p> <p>This policy contains various other provisions about how Affordable Housing should be distributed (ideally on-site and in clusters rather than a single area), how commuted sums instead of provision should be handled, and viability issues.</p>
HOU 09 – Specialist Housing	<p>Provision to accommodate an ageing population and growing support needs is encouraged, with various provisions providing guidance on the location, scale and housing mix of schemes to meet this need.</p>
HOU 14 – Affordable Housing Exceptions	<p>In rural locations where residential development would not normally be considered, rural exception sites providing 100% Affordable Housing for local people may be supported. Such schemes should be justified with evidence, well related to the existing settlement, and provide affordability benefits in perpetuity.</p>
Necton Housing Allocation 1	<p>Land off North Pickenham Road is allocated for at least 46 dwellings,</p>
Necton Housing Allocation 2	<p>Land between North Pickenham Road and Masons Drive is allocated for approximately 15 dwellings.</p>

2.2.1 Quantity of housing to provide

63. The NPPF (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
64. Breckland has fulfilled this requirement by providing Necton with definitive housing target of 283 for the period 2011 to 2036 in Policy HOU 02 of the Local Plan. As

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such the question of how many dwellings to plan for overall has effectively been answered and is not within the scope of this report.

65. A large proportion of this target is already built or expected to be delivered in the near future. Breckland Council data confirms that 89 homes have been delivered in Necton since 2011 and that there are sites capable of supplying 99 further homes in the planning pipeline or under construction. The total number of completed and committed dwellings is therefore 188, leaving 95 further homes to be planned for to 2036.
66. (There are also 95 dwellings on a dormant site at Heron Way with a permission from 1998, which are not considered deliverable by the Council and are thus not included in any totals here).

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3. Approach

3.1 Research Questions

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

3.1.1 Tenure and Affordability

68. The Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
69. This evidence will allow Necton to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
70. The Parish Council is interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue is provided under the remit of this research question.
71. RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

3.1.2 Type and Size

72. The aim of this research question is to provide the Parish Council with evidence on the types and sizes of new housing needed by the local community. This will help to shape future development so that it better reflects what residents need.
73. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
74. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.
75. RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

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3.2 Relevant Data

76. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Rightmove.co.uk;
 - Local Authority housing waiting list data; and
 - The Central Norfolk Strategic Housing Market Assessment (SHMA) 2017.

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

77. RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

4.1 Introduction

78. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
79. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
80. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.³
81. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

³ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>. Note that First Homes formally come into effect from 28 June 2021, and Local and Neighbourhood Plans that have reached an advanced stage of development by that date may not need to reflect these changes. However, it is advisable for all plans in process to reflect the direction of policy changes where possible.

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

4.2 Current tenure profile

82. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
83. Table 4-1 below presents data on tenure in Necton compared with Breckland and England from the 2011 Census, which is the most recent available source of this information. The parish has a much higher rate of home ownership than wider Breckland and England, and both social and private renting are less common in Necton – with a particular underrepresentation of the latter compared with the district.

Table 4-1: Tenure (households), Necton, 2011

Tenure	Necton	Breckland	England
Owned; total	79.9%	68.6%	63.3%
Shared ownership	0.1%	0.6%	0.8%
Social rented; total	10.0%	13.8%	17.7%
Private rented; total	8.4%	15.2%	16.8%

Source: Census 2011, AECOM Calculations

84. There were 88 units of social rented housing and 1 unit of shared ownership in 2011. Data on the Affordable Housing stock from Necton's Parish Profile on the Breckland housing dashboard updates these figures accurate to 2020. This suggests that there are currently 112 units of affordable rented housing and no shared ownership.

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85. This increase of 24 units of affordable rented housing does not align with other Breckland Council data indicating that there have been only 12 completions of affordable rented housing in the parish since 2008/09. All 12 were delivered on a single scheme on Mill Street in 2013/14. However, it may be that 12 social rented dwellings were not occupied at the time of the 2011 Census and therefore were not captured in the results. The 2020 count of the affordable stock is taken to be the most robust source.
86. Breckland Council confirm that there have been 89 housing completions in the parish overall since 2011. From this it can be inferred that around 11% of Necton's housing is now socially rented (112 divided by 1,013, which is the 2011 Census total of 924 (not all of which were categorized by tenure) plus 89 completions since). This is a slight improvement on the situation at the time of the 2011 Census. Nevertheless, that only 12 of the 89 completions in recent years have been affordable is a rate of 13.5% that falls well below the Local Plan policy requirement.
87. There are a further 99 units of housing currently in the development pipeline in Necton according to Breckland Council data, of which 73 are affordable (63 affordable rented and 10 affordable ownership). Since this data was provided, outline approval has been granted for an entry-level exception scheme of up to 22 dwellings, which are to be provided as First Homes.
88. If all of these sites are built out in the near future the total number of dwellings in Necton will be 1,134, and the total number of affordable rented properties will be 175, or 15.4% of the total. There will also be 32 affordable home ownership units (such as shared ownership and First Homes), constituting 2.8% of the total. Although 79% of upcoming supply is affordable, the affordable units are on sites specifically for that purpose, so this is not a good representation of the proportion of homes on a given site that are affordable or whether the Local Plan target is being met. Indeed, none of the other applications are large enough to provide any Affordable Housing.
89. There is, then, a significant injection of Affordable Housing supply in the pipeline, which will bring rates of affordable renting back above the district-level trend in the near future and provide an injection of affordable ownership options. This is a positive development for those unable to afford market housing in Necton.
90. The whole tenure mix cannot be updated because records are not kept of privately owned homes transferring from owner occupation to private rent and vice versa. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months.
91. What can be clearly concluded from this information is that there is a moderate lack of social rented accommodation compared with wider geographies at present. However, while Affordable Housing delivery has underperformed targets in recent years there is a large number of affordable rented homes expected to come forward in the near future that will help to meet the current backlog of need. Though there

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are also affordable home ownership dwellings expected to come forward, there will remain a clear opportunity to provide more of these tenures which are completely lacking at present.

4.3 Affordability

4.3.1 House prices

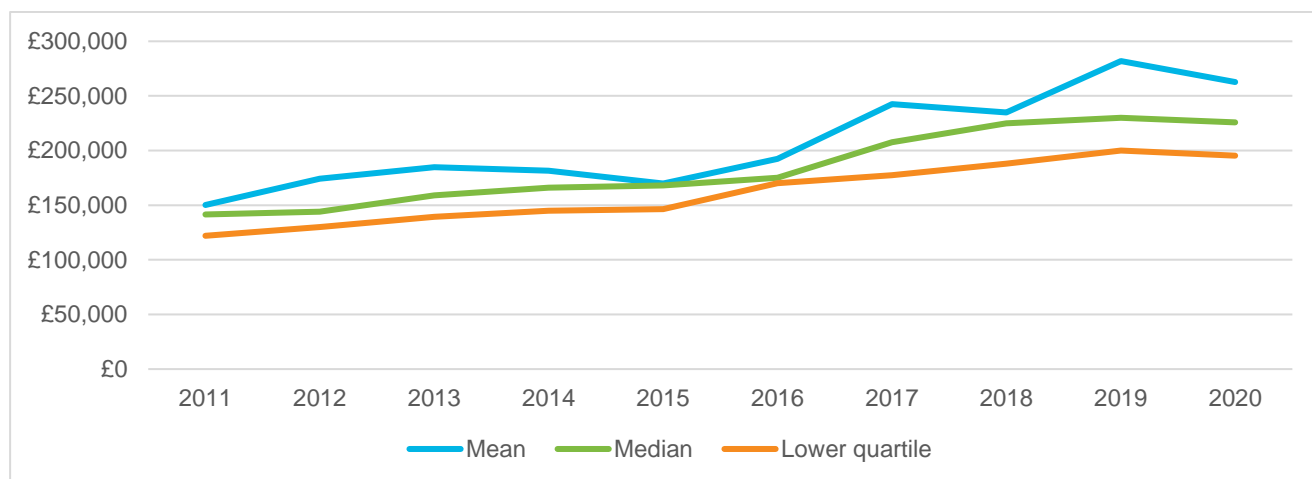
92. Figure 4-1 below presents selected measures of house prices in Necton over the last ten years. It shows a consistent upward trajectory to 2019 with a very slight downturn in 2020. The current average prices are:

- Mean: £263,000;
- Median: £226,000; and
- Lower quartile: £199,000.

93. Depending on the measure used, prices have increased by 60-75% over the last ten years. Despite the slight dip in 2020 prices, the average (mean) home costs £113,000 more today than in 2011 and the lower quartile (or entry-level) home costs £73,000 more – presenting a significant additional barrier to home ownership and an immense challenge for those with lower incomes wishing to buy locally.

94. It is worth noting also that the 2020 median and lower quartile prices for Breckland as a whole are £227,000 and £175,000 respectively, indicating that property in Necton is fairly similar to the wider district.

Figure 4-1: House prices by quartile in Necton, 2011-2020



Source: Land Registry Price Paid Data (PPD)

95. It also is important to think about the pricing of newly built housing, since this is what the Neighbourhood Plan may be able to exert some control over, with First Homes. Land Registry records no sales of new build properties in Necton in 2020, however there were 6 new properties sold in 2019 and a further 5 in 2018. Although these transactions were limited to only a few new developments (on Tuns Road, Treasure

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Grove and Maple Drive) and were exclusively detached houses, they represent a reasonable benchmark for the cost of new housing in the NA.

96. Of the 11 newly built properties sold in the last three years, the median price was £225,000. This is almost identical to the overall median of existing housing in Necton in 2020, and might therefore suggest that newly built housing and existing housing costs the same, but on a like-for-like basis this is unlikely to be true as there is wide variation in the size of plots, livable floorspace and other features between new and existing housing.
97. No entry-level new build homes, such as terraces or smaller units, appear to have been sold in Necton recently. The last time this happened was in 2016 when semi-detached homes were sold on Ash Meadow and Oaks Drive for £170,000. This is around 20% cheaper than equivalent detached homes at that time. If this blunt measure of the difference between the price of an entry-level and median new home remains accurate, it can be estimated that an entry-level new home might cost around £180,000 in Necton today.
98. This is cheaper than the lower quartile average for existing homes in 2020. However, that existing lower quartile average is still a detached home because exactly three-quarters of the homes sold in 2020 were detached. It is logical that a newly built non-detached home could cost less than an existing detached home (even one at the lower end of the market for detached homes).
99. These estimates are important because affordable routes to ownership like shared ownership and First Homes will be priced with reference to their open market value (i.e. that of an equivalent open market home suitable to first-time buyers).
100. Table 4-2 below breaks down house prices in Necton by type. It reveals a clear distinction between detached and other forms of housing that are notably less expensive. Nevertheless, all have experienced significant price appreciation.

Table 4-2: House prices by type, Necton, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£508,543	£440,921	£487,232	£556,885	£467,219	£437,490	£586,480	£518,598	£555,615	£538,300	5.9%
Semi-detached	£359,713	£295,000	£283,000	£392,823	£341,286	£377,667	£390,719	£404,250	£412,375	£378,000	5.1%
Terraced	£261,921	£254,458	£293,458	£379,576	£440,458	£445,308	£505,000	£462,200	£394,214	£431,000	64.6%
Flats	£113,000	£128,750	£209,700	£193,000	£144,500	£207,390	£201,900	£206,500	£214,000	£188,238	66.6%
All Types	£420,490	£365,863	£363,774	£399,961	£394,858	£401,392	£492,295	£478,319	£474,405	£435,964	3.7%

Source: Land Registry PPD

4.3.2 Incomes

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

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- The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £40,000 in 2019 (the latest year for which data is available). This total (gross) income figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.⁴
 - The Office for National Statistics (ONS) data cited for incomes in small areas above is only available down to Medium Super Output Area scale (MSOA – the level above LSOAs). The relevant MSOA extends from Necton in the south-west to Gressenhall in the north-east but does not include Dereham. It will need to serve as a proxy when thinking about local income levels.
 - The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Breckland's gross lower quartile annual earnings were £13,379 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £26,758.
102. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

4.3.3 Affordability thresholds

103. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
104. AECOM has determined thresholds for the income required in Necton to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
105. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.

⁴ 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.

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106. Where First Homes and shared ownership costs have been estimated, these are based on the estimated cost of an entry-level new build home of £180,000 (as discussed above and calculated in Appendix A). Because the median existing and entry level home are practically identical, only one threshold is calculated and labelled 'median home (new build or existing)'.
107. Table 4-3 below summarises the estimated cost of each tenure, the annual income required to support these costs within Necton, and whether local incomes are sufficient. The income required column does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households may already hold equity from an existing property. Although both factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
108. The same information is presented as a graph in Figure 4-2 on a subsequent page.

Table 4-3: Affordability thresholds, Necton

Tenure	Mortgage Value (90% of price)	Rent	Income required	Affordable on average incomes? £40,000	Affordable on LQ earnings (single earner)? £13,379	Affordable on LQ earnings (2 earners)? £26,758
Market home ownership						
Median home (new build or existing)	£203,250	-	£58,071	No	No	No
Existing entry-level home	£175,838	-	£50,239	No	No	No
New build entry-level home (estimated)	£162,000		£46,286	No	No	No
Private renting / rent to buy						
Average market rent	-	£11,700	£39,000	Yes	No	No
Entry-level market rent	-	£8,100	£27,000	Yes	No	Yes
Affordable home ownership						
First Homes – 30% discount	£126,000	-	£32,400	Yes	No	No
First Homes – 40% discount	£108,000	-	£27,771	Yes	No	Marginal
First Homes – 50% discount	£90,000	-	£23,143	Yes	No	Yes
Shared ownership – 50% equity	£81,000	£2,250	£30,643	Yes	No	No
Shared ownership – 25% equity	£40,500	£3,375	£22,821	Yes	No	Yes
Shared ownership – 10% equity	£16,200	£4,050	£18,129	Yes	No	Yes
Affordable rented housing						
Affordable rent (overall average)	-	£5,722	£22,886	Yes	No	Yes
Social rent (overall average)	-	£4,634	£18,535	Yes	No	Yes

Source: AECOM Calculations

109. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but

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individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market home ownership

110. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a larger than usual deposit. Significantly higher incomes or larger deposits (such as the equity owned in an existing home) would be needed for local households to purchase homes priced at and above the median. For lower than average earning households, market housing is expected to remain out of reach.

Private renting

111. Private renting is generally affordable to most households in Necton, assuming that the price benchmarks used here – which had to include a wider area to create a robust sample – are representative of the housing available in Necton. The fact that a 5-mile radius needed to be used to find examples of rental listings points to a lack of such accommodation in the parish. Because private renting offers a more affordable and flexible option than ownership, and can also accommodate lower earners in receipt of housing benefit, it is a valuable part of the tenure mix. Its absence in Necton may be an issue facing local people.
112. Households with two lower earning individuals appear just about able to afford entry-level private rent when it is available. Affordability is further improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. Households with two lower earners might be able to access larger properties in this way.
113. However, this is not an option for single lower earners, who would need to dedicate around 60% of their income to rent to afford an entry-level property – a significant challenge. Single-person households in such circumstances must therefore either apply for affordable rented housing or remain in the private rented sector while relying on housing or other benefits.

Affordable home ownership

114. There is a relatively large group of households in Necton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,000 per year (at which point entry-level rents become affordable) and £47,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

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115. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
116. This report has estimated the income required to afford First Homes, and tested the implications of 30%, 40% and 50% discount levels. While the minimum 30% discount level brings First Homes prices comfortably within reach of average earning households, these subsidised ownership products are generally intended for a wider group – including those on lower incomes and who can afford to rent but not buy. Increasing the discount level to 40% would make First Homes very nearly affordable to households with two lower earners, as well as a number of households earning more than this but below average. For this reason, this HNA recommends that the mid-range 40% discount level for First Homes should be sought in Necton, if this does not impinge on the viability of affordable rented housing.
117. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. For comparison, the discount required for a First Home if it were provided as equivalent to a median new/existing home rather than an entry-level property is also given. Note that the price of the median new home was found to be nearly identical to the price of a median existing home, hence the single category representing both. While this is not the intended benchmark for First Homes, it represents a more conservative estimate if prices are higher than envisaged here and provides further justification for increasing the discount level above the 30% minimum.

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

Tenure / product	Mean Income	LQ Income x1	LQ Income x2
Entry-level new build home	14%	71%	42%
Median new build / existing home	31%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

118. Shared ownership appears to be generally slightly more affordable than First Homes in Necton. Lower equity shares widen access to more potential occupants and slightly lower earners, particularly with the now lower 10% minimum equity share option, which becomes almost achievable for single lower earners.
119. However, it is worth emphasising that the transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised. This product may have a lower threshold for access, but the longer-term prospects of building an equity share are poorer and the ongoing monthly costs will be higher.
120. The income required to access rent to buy is assumed to be the same as that required to afford market rents – the difference being that a portion of the rent is effectively saved for a deposit rather than paid to a landlord. It therefore appears to

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be similar to First Homes, though there are again other disadvantages when compared to the other options.

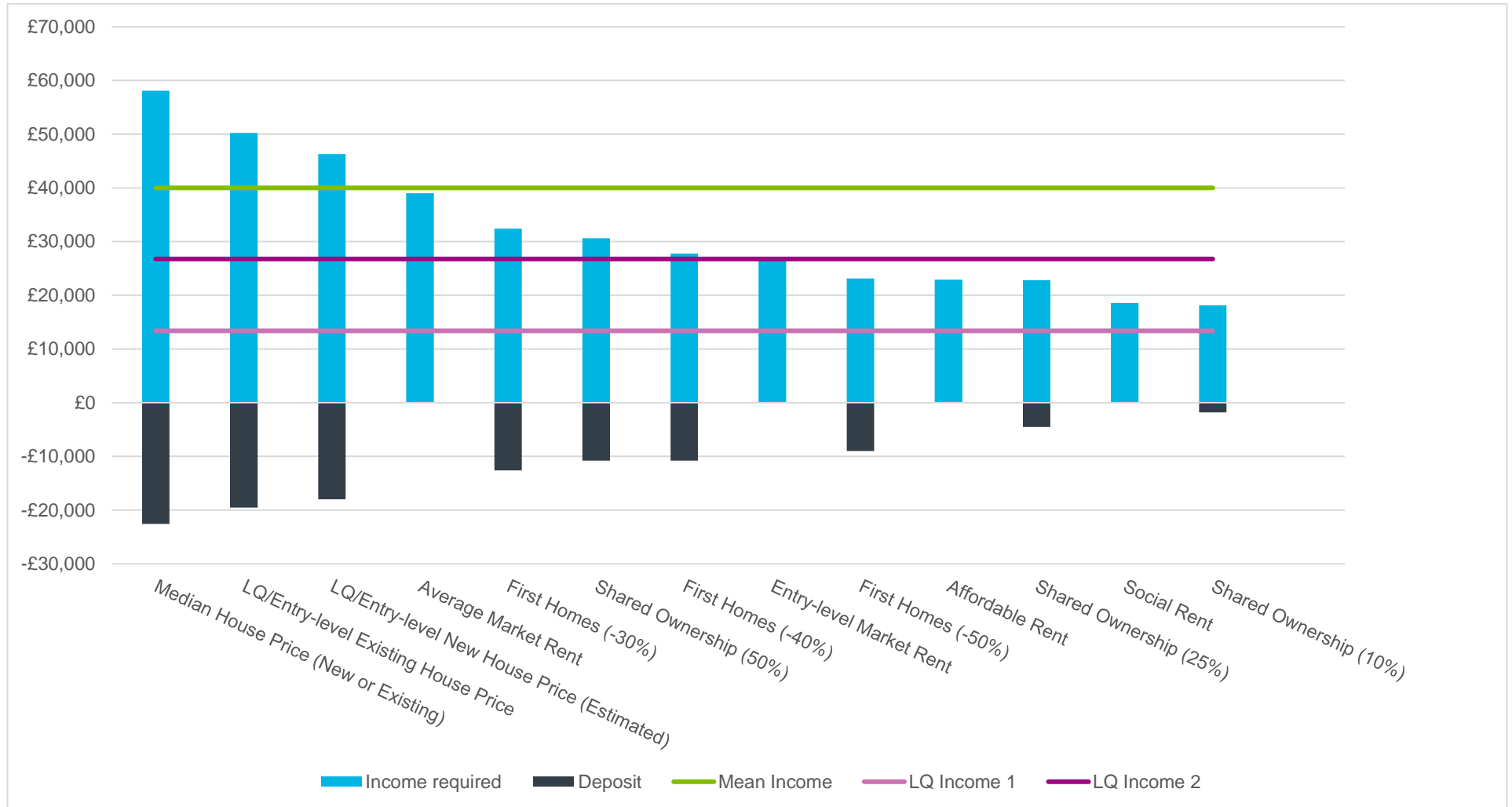
121. These three products need to be considered in relation to what they offer occupants in the long term beyond simply appearing affordable or not. Each potentially provides value to different segments of the local population, with shared ownership potentially allowing lower earning households to get a foot on the housing ladder but bringing relatively high monthly outgoings, while rent to buy offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes provides the best long-term support to those with the slightly higher incomes able to afford both the mortgage and the deposit.

Affordable rented housing

122. Affordable rented housing is comfortably affordable to households with two lower earners (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including smaller socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit.
123. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Necton as the only option for a large segment of those in the greatest need.

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



124.

Source: AECOM Calculations

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4.4 Affordable housing- quantity needed

125. One way to understand the need for affordable housing in Necton is to refer to the relevant Strategic Housing Market Assessment (SHMA). However, in this case the relevant SHMA was published in 2017, relies on information and methods that predate changes to the NPPF, and does not disaggregate its assessment of affordable housing needs to each of the local authority areas the document covers.
126. Instead, Necton's needs can be estimated through two calculations that use more recent data and inputs that relate specifically to the NA. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable home ownership tenures. These estimates are presented and discussed in turn below.

4.4.1 Affordable rented housing

127. The starting point for assessing the need for affordable rented housing is the number of Necton households currently applying for Affordable Housing on the Breckland housing register. The Necton Parish Profile on the Breckland housing dashboard notes that there are currently 15 Necton households on the housing register. These consist of 8 applicants noted as living in the parish and 7 who need easy access (but are not classified as living in the parish already or not).
128. The majority of the need is for a 1-bedroom property (8 of 15 applicants), with 4 households needing 2 bedrooms, 2 needing 3 bedrooms and 1 needing 5 bedrooms.
129. It should be noted that AECOM has sense-checked this figure against the DLUHC local authority statistics data return, which provides a snapshot of waiting list numbers. Prorating the figure for Breckland gives a result of 11.3 that is very close to the more accurate figure of 15 provided by Breckland Council.
130. Breckland Council have also provided information on the number of re-lets of the existing social/affordable rented stock in Necton. In 2020, 3 social rented properties were re-let to housing register applicants. This is the number of homes we might expect to come vacant in a given year going forward, as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This is the main way (in addition to providing new housing) that local needs can be satisfied. However, as more social and affordable housing is delivered, the amount of turnover is likely to increase.
131. When this data is not provided by a local authority, AECOM estimates that roughly 3% of the existing stock will come vacant in a given year. In this case, that calculation produces a result of 3.4 which is again very close to the actual data supplied by Breckland Council.

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132. Table 4-5 estimates the need for Affordable Housing for rent in Necton per year of the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies in the adopted local plan. The following calculations are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
133. The result of this calculation is a surplus of 0.6 units per year (or 8 rounded over the 14-year Neighbourhood Plan period). This is initially surprising given that there is currently a backlog of 15 households in need. However, what the model is suggesting is that turnover in the existing stock (as discussed above) should be sufficient to meet newly arising needs as well as the current backlog, which is effectively spread out over the 14-year period to produce an annualized figure.
134. An important caveat to this finding is that there are almost certainly households currently in need in Necton, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
135. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable. We know, for instance, that only 2 of the 112 units of affordable rented housing in Necton have 1 bedroom, and yet this size category is by far the most common that applicant households need or are eligible for (perhaps because the backlog has continued to grow due to the extremely limited supply).
136. As such, it is clear that Necton does need to deliver some affordable rented housing, particularly to diversify the size mix and ideally early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district.
137. Breckland Council have indicated that there are 63 units of affordable rented housing in the pipeline, which will be more than sufficient to meet any residual needs in Necton, including in the undersupplied 1 bedroom size category (since 10 of these units are 1 bedroom flats). However, it is understood that these homes on an Affordable Housing only site are generally intended to meet the needs of the district as a whole rather than being targeted specifically at Necton households. It may be

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hoped that these homes will help to address the backlog of need in Necton, but it would be beneficial if other streams of supply were also secured where possible.

Table 4-5: Estimate of need for Affordable Housing for rent in Necton

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	15.0	Latest housing register data from Breckland Council.
1.2 Per annum	1.0	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	144.1	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	15.0%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in the NA.
2.2.1 Current number of social renters in parish	112.0	Number of social rented homes in Necton as of 2020, indicated by Breckland Council data.
2.2.2 Number of private renters on housing benefits	18.8	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	21.6	Step 2.1 x Step 2.2.
2.4 Per annum	1.4	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers)	3	Number of re-lets in 2020, verified as close to the 3% assumption.
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall surplus per annum	0.6	Step 1.2 + Step 2.4 - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

4.4.2 Affordable home ownership

138. Turning now to Affordable Housing providing a route to home ownership, Table 5-6 below estimates the potential demand in Necton. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
139. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This is a relatively arbitrary assumption but no robust indicator exists for this area or a wider scale.
140. The result of the calculation is 4.2 households per annum who may be interested in affordable home ownership (or 62 for the entirety of the Plan period).

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141. This assumes no turnover in the existing stock because there are understood to be no units of shared ownership in Necton at present. The potential current and future demand is fairly large and not mitigated at all by turnover, meaning that the final result is more than a fifth of the overall HNF of 283.
142. Though approximately 32 units of affordable home ownership are expected to be delivered in the next few years, it is more appropriate to deduct these from the identified need rather than to incorporate them as existing stock that may come vacant in the coming years. This would leave potential demand for a further 30 units of affordable home ownership in Necton over the Plan period. Though it should be noted that the 32 properties currently in the pipeline will not be offered exclusively or as a priority to Necton households.
143. It is also important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-6: Estimate of the potential demand for affordable housing for sale in Necton

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	90.2	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	20.9%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	18.8	Step 1.1 x Step 1.2.
1.4 Current need (households)	53.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice.
1.5 Per annum	3.6	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	144.1	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	5.5%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	7.9	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.6	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	0.0	Number of shared ownership homes in parish (Breckland Council data).
3.2 Supply - intermediate resales	0.0	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	4.2	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

144. It should be noted that there is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Parish Council that can help ensure that it is

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met to a greater extent if resources permit (e.g. the ability to allocate sites for Affordable Housing).

145. It is also important to remember that even after the Necton, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the Parish Council.

4.5 Affordable Housing policy guidance

146. Breckland's adopted policy on this subject (HOU 07) requires 25% of all new housing to be affordable. Given that Affordable Housing made up only 13.5% of new housing in Necton over the last decade, it is likely that this target is not usually met in the NA – either because most sites do not meet the 10-dwelling threshold above which the policy applies or for viability reasons.
147. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in Necton, and that there may be advantages to planning for additional delivery beyond the large site currently in the pipeline.
148. How the Affordable Housing that comes forward through mainstream development sites should be broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is suggested in Policy HOU 07. 70% of Affordable Housing should be for social rent and 30% affordable home ownership. The HNA can supply more localized evidence to follow a different mix or add nuance about the specific products within each category. This section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Necton specifically.
149. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Necton requires limited quantities of affordable rented housing in the long term but could benefit from a near-term injection of supply in particular size categories, and around 62 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that most Affordable Housing should offer a route to ownership. This is particularly the case given that 63 affordable rented units and 10 affordable ownership units are expected to be delivered in the next few years – providing exactly the near-term injection of supply needed to address the Necton backlog for affordable housing (assuming

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some Necton households are allocated the new homes). Given the assumed rate of turnover in the existing stock, the higher overall total that will be present going forward should help to meet newly arising needs more quickly in future.

These estimates of need, together with the near-term delivery expectations, suggest that Necton could benefit most from more affordable home ownership going forwards. That said, there may still be value in securing some additional affordable rented accommodation to future-proof the stock and meet the needs of a wider area.

- B. Can Affordable Housing needs be met in full?** How far more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected. As noted above, there are more than enough affordable rented homes coming forward imminently to meet the anticipated future needs of Necton residents. The 32 additional affordable ownership units will also make a substantial contribution to meeting the estimated need by addressing around half of the potential demand for such tenures.

In addition to the 121 dwellings in the pipeline (of which 95 are affordable), there are around 73 dwellings remaining to meet Necton's housing requirement of 283 (the 89 completions to date have also been deducted). Of these, up to 18 can be expected to be affordable (if the 25% target is met). In practice, the figure may be less than this because many of the sites will fall below the 10-unit threshold.

It cannot therefore be determined definitively how many affordable homes are likely to come forward and whether they meet the needs identified. However, it is clear that the backlog of more urgent affordable rented needs can be satisfied by the upcoming site and that turnover will help to address newly arising needs. If 25% of the other new homes are affordable, a good proportion of the residual potential demand for affordable ownership could be met also.

To summarise, it appears that the most urgent needs are already being met by new supply and that there remains some opportunity to fill the gap in the market for affordable home ownership tenures with any further affordable homes that do come forward (though it may not be wise to do so to the total exclusion of affordable rented housing).

- C. Government policy (NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Breckland, where 25% of all housing should be affordable, 40% of Affordable Housing should be for affordable ownership. The guideline 70% rented to 30% ownership split in the Local Plan does not comply with this requirement, though it may be considered by the

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Council that Breckland meets the standard for an exception to reduce the proportion of affordable home ownership. In Necton, however, the evidence supports exceeding this minimum requirement.

- D. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes. The Local Plan suggested split can be in compliance with this if the majority of affordable home ownership homes are First Homes. Necton may be justified again in exceeding this minimum.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. That is not the case in Breckland.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan. In Breckland, no particular products are specified so the default Local Plan mix would be 70% social rent, 25% First Homes and the remaining 5% as any other affordable ownership tenure (notwithstanding the fact that this does not comply with the NPPF requirement around affordable ownership).

- E. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split in line with evidence, but provides a guideline of 70% rent to 30% ownership.
- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Necton:** Necton has a proportion of social renting slightly below the district and national rates, but this is due to be rectified in the near future. However, the current rate of shared ownership is zero, presenting the clearest opportunity to diversify the tenure mix overall.

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- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the Parish Council may wish to take account of broader policy objectives for Necton and/or wider Breckland. These could include, but are not restricted to, policies to create lifetime communities by enabling younger households to grow into larger comes and for older households to downsize if they wish. These wider considerations may influence the mix of Affordable Housing provided.
150. The suggested tenure split in the Local Plan (70% rented to 30% ownership) puts an emphasis on affordable renting that appears to be unnecessary in Necton, where upcoming supply and turnover in the stock has the potential to satisfy both newly arising need and the current backlog for of around 15 households.
151. While delivering some affordable rented housing is important – to help meet the backlog, insure against the possibility that the wider district’s needs may take precedence in the allocation of the 63 new homes, protect the interests of those on the lowest incomes, and future proof the housing stock in case circumstances change – there is also an opportunity here to widen access to home ownership through more subsidised tenure options like First Homes.
152. The evidence of need suggests that it may be worthwhile to prioritise affordable home ownership over affordable rent, but there is no precise science for determining what the most suitable balance should be. 70-90% affordable ownership would not seem to be problematic in this case. But reversing the district-wide tenure mix target too severely may interfere with Breckland’s imperative to increase supply to meet the needs of the district as a whole. (Indeed, Breckland Council may not wish for an alternative tenure mix to be sought at all, and should be consulted if this is intended.)
153. So, a reasonable middle ground may instead be explored. For instance, 33% rented housing and 67% affordable ownership would provide a comfortable buffer for meeting the needs of those in the most financial difficulty while also making more of the apparent opportunity to serve those wishing to own.
154. That is the tenure mix recommended here, but it is important to emphasise that this has been arrived at through the professional judgement of AECOM on the balance of the factors listed above. It is equally valid for the Parish Council to take a different interpretation based on the evidence gathered here as well as the objectives and opinions of the community (which are important factors in this policy area).
155. The breakdown within the category of affordable home ownership is proposed to meet the national First Homes requirement as a priority (although this tenure, if

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secured at at least a 40% discount, is also the most beneficial in the long-term). The remainder is then apportioned to shared ownership at a higher proportion than rent to buy because it is better-established and equally affordable to some lower earners.

156. Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – as is suggested here – it is important that they liaise with Breckland Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
157. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-7: Indicative Affordable Housing tenure mix for Necton

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	66%	
First Homes	30%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	26%	Proposed changes to the model to allow purchases of 10% share ⁵ - impact on viability unknown Registered Providers' business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	10%	Emerging product with popularity and effectiveness as yet unproven. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	34%	
Social rent	To be set by Breckland Council and Registered Providers.	
Affordable rent	To be set by Breckland Council and Registered Providers.	

Source: AECOM calculations

4.6 Conclusions- Tenure and Affordability

Affordability issues

158. Necton's current tenure mix reveals a very high rate of home ownership (80%) compared to wider Breckland (69%) and England (63%). Necton had a lower proportion of Affordable Housing than the district at the time of the 2011 Census, but this has risen slightly in the years since and is anticipated to significantly increase in

⁵ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

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2022/23 with the delivery of a 73-unit Affordable Housing only scheme. The proportion of all housing that is in affordable tenures will rise from 11% to 17% with the completion of this scheme and another entry-level exception site providing up to 22 First Homes, to exceed the rate for Breckland in 2011.

159. However, it is worth noting that aside from these two sites, past and future Affordable Housing delivery in Necton is relatively low. Less than 14% of the 89 homes built since 2011 were affordable, well below the Local Plan policy target of 25%, and all of the other 26 homes in the development pipeline are in market tenures. This is because development has tended to take place on infill sites that are not large enough to meet the threshold above which Affordable Housing policy applies.
160. Of the 95 upcoming affordable homes, 63 are for affordable or social rent and 32 are to be offered as affordable home ownership products (primarily First Homes). Despite the large injection of affordable supply overall, there will remain an opportunity to provide more affordable routes to home ownership going forward.
161. Home values in Necton have increased slightly by 60-75% the last ten years, with the result that the average (mean) home costs £113,000 more today than in 2011 and the lower quartile (or entry-level) home costs £73,000 more – presenting a significant additional barrier to home ownership and an immense challenge for those with lower incomes wishing to buy locally.
162. Land Registry records just no sales of new build properties in Necton in 2020, however there were 6 new properties sold in 2019 and a further 5 in 2018. Of the 11 newly built properties sold in the last three years, the median price was £225,000. This is almost identical to the overall median price of existing housing in Necton in 2020, and might therefore suggest that newly built housing and existing housing costs the same. However, on a like-for-like basis this is unlikely to be true as there is wide variation in the size of plots, livable floorspace and other features between new and existing housing. It is also likely that new build prices today will be higher than they were in 2018/19.
163. The price premium associated with newly built housing presents a further challenge to households relying on new development to enable them to live locally, whether in open market housing or through affordable routes to ownership like shared ownership and First Homes, which will be priced with reference to their open market value.

Tenure options

164. AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in

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Necton is £40,000, and the lower quartile income (per person) for Breckland was £13,379 in 2019.

165. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area. Significantly higher incomes or larger deposits (such as the equity owned in an existing home) would be needed for local households to purchase homes priced at and above the median. For lower than average earning households, market housing is expected to remain out of reach. Home ownership through the mainstream market is not an option for the majority of local people.
166. Private renting is generally affordable to most households in Necton, assuming that the price benchmarks used here – which had to include a wider area to create a robust sample – are representative of the housing available in Necton. The fact that a 5-mile radius needed to be used to find examples of rental listings points to a lack of such accommodation in the parish. Because private renting offers a more affordable and flexible option than ownership, and can also accommodate lower earners in receipt of housing benefit. It is a valuable part of the tenure mix that is undersupplied in Necton (the rate of private renting was 8% in 2011, compared with 15% across Breckland).
167. Households with two lower earning individuals appear just about able to afford entry-level private rent when it is available. Affordability is further improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances. Households with two lower earners might be able to access larger properties in this way.
168. There is a relatively large group of households in Necton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,000 per year (at which point entry-level rents become affordable) and £47,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
169. All of these products would be valuable to different segments of the local population, with shared ownership potentially allowing lower earning households to get a foot on the housing ladder but bringing relatively high monthly outgoings, while rent to buy offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes provides the best long-term support to those with the slightly higher incomes able to afford both the mortgage and the deposit.
170. Local Plan and Neighbourhood Plans have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This HNA finds that a discount level of 40% is necessary to make First Homes affordable to the target group and would be justified in Necton. Seeking higher discounts on First Homes may, however, have viability implications

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on schemes that could reduce the overall number of affordable homes, so the potential implications should be thought through with Breckland Council.

171. Affordable rented housing is affordable to households with two lower earners (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including smaller socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit. The affordable rented sector performs a vital function in Necton as the only option for a large segment of those in the greatest need. Being cheaper for the occupant, social rent performs this function best.

Quantity of Affordable Housing needed

172. This report estimates Necton's Affordable Housing needs through two calculations that use up-to-date and locally-specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.
173. The result of the first calculation is a surplus of 0.6 units per year (or 8 rounded over the 14-year Neighbourhood Plan period). This is initially surprising given that there is currently a backlog of 15 households in need (according to Breckland Council data). However, what the model is suggesting is that turnover in the existing stock (as current occupants move to a new location, pass away or cease to be eligible as their circumstances change) should be sufficient to meet newly arising needs as well as the current backlog.
174. That said, there is a mismatch between needs and supply: we know, for instance, that only 2 of the 112 units of affordable rented housing in Necton have 1 bedroom, and yet this size category is by far the most common that applicant households need or are eligible for.
175. For this and other reasons Necton does still need to deliver some affordable rented housing, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district. This function is more than adequately provided by the 63 units of affordable rented accommodation expected to complete in the next few years. However, these new homes may need to meet the needs of the wider district and so it should be monitored how far the backlog of needs among Necton residents specifically is reduced as a result of this supply.
176. Turning to Affordable Housing providing a route to home ownership, it is estimated that around 4.2 households per year may be interested in such products (equating to a total of 62 over the Plan period. Though 32 units of affordable home ownership are expected to be delivered in the next few years, it is more appropriate to deduct these from the identified need rather than to incorporate them as existing stock that may come vacant in the coming years. This would leave potential demand for a further 30

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units of affordable home ownership in Necton over the Plan period. Though it should be noted that the 32 properties currently in the pipeline will not be offered exclusively or as a priority to Necton households.

177. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
178. Policy considerations
179. Breckland's adopted policy in relation to Affordable Housing (HOU 07) requires 25% of new housing on sufficiently large sites to be affordable. This target is not usually met in the NA because most sites do not meet the 10-dwelling threshold above which the policy applies or for viability reasons.
180. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in Necton, and there may be advantages to planning for additional delivery beyond the large site currently in the pipeline – particularly for affordable home ownership products.
181. The suggested tenure split within Affordable Housing in the Local Plan (70% rented to 30% ownership) puts an emphasis on affordable renting that appears to be unnecessary in Necton, where upcoming supply and turnover in the stock has the potential to satisfy both newly arising need and the current backlog for of around 15 households.
182. While delivering some affordable rented housing is important – to help meet the backlog, insure against the possibility that the wider district's needs may take precedence in the allocation of the 63 new homes, protect the interests of those on the lowest incomes, and future proof the housing stock in case circumstances change – there is also an opportunity here to widen access to home ownership through more subsidised tenure options like First Homes.
183. AECOM recommends that roughly one third of any further Affordable Housing in Necton should take the form of rented tenures such as social and affordable rent, with two thirds as affordable routes to home ownership. It is important to emphasise that this recommendation has been arrived at through the professional judgement of AECOM on the balance of the factors listed in section 4.5 of this report. It is equally valid for the Parish Council to take a different interpretation based on the evidence gathered here as well as the objectives and opinions of the community (which are important factors in this policy area), and through engagement with Breckland Council.
184. Table 4-8 below summarises Necton's position with regards to the expected delivery of Affordable Housing over and above the 73-unit and 22-unit schemes which have

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already been determined and the completions to date, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the residual housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the Parish Council plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-8: Estimated delivery of Affordable Housing in Necton

185.	186. Step in Estimation	187. Expected delivery
188. A	189. Residual housing requirement	190. 73 (283 - 89 - 121)
191. B	192. Affordable housing quota (%) in LPA's Local Plan	193. 25%
194. C	195. Potential total Affordable Housing in NA (A x B)	196. 18
197. D	198. Rented % (e.g. social/ affordable rented)	199. 34%
200. E	201. Rented number (C x D)	202. 6
203. F	204. Affordable home ownership % (e.g. First Homes, Rent to Buy)	205. 66%
206. G	207. Affordable home ownership number (C x F)	208. 12

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

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5. RQ 2: Type and Size

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

5.1 Introduction

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

5.2 Existing types and sizes

5.2.1 Background and definitions

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

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people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

217. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in Necton. The intention, agreed with the Parish Council, was to include recent and pipeline development in the current baseline against which future needs should be compared. This cannot be achieved to perfect accuracy, but the best available approach is summarised as follows:
- The current dwelling mix is best provided by Valuation Office Agency (VOA) data because Breckland Council data on the completions since the 2011 Census is not broken down by dwelling type and size. The VOA total aligns with the 2011 Census count plus the number of completions since then, which validates it as a robust source.
 - The pipeline of housing supply consists of 99 homes for which planning permission has been granted and which the Council deems to be deliverable, of which 73 are affordable homes on a site specifically for this purpose. The data provided by Breckland Council detailing the outstanding commitments gives a brief description of the development. The number of bedrooms or type of each dwelling is not captured statistically or in the majority of descriptions.
 - It is therefore necessary to investigate the planning application documents for each of the 11 pipeline schemes to understand the dwelling mix. This has been done but there remain a number of dwellings for which characteristics are unknown (10 homes are of an unknown type and 19 of an unknown size). Assumptions also needed to be made in particular cases. For example, whether to count a room labelled bedroom/study on the floorplan when tallying bedroom numbers. The large affordable scheme also includes 14, 2-bedroom and 14, 3-bedroom houses in an unknown combination of terraces and semi-detached, so they have been split evenly between those two types, although in practice the balance may be different. Furthermore, not all of the permissions will be built out as currently envisaged, if at all, so complete precision is not realistic. It is also worth mentioning that in recent years defined spaces within homes are becoming more flexible, particularly to accommodate life-work lifestyles.
 - This manually collated data on the pipeline is added to the VOA 2020 figures to give as complete as possible picture of the baseline of current and imminent housing in Necton.
 - In the case of dwelling size it is also considered helpful to split the pipeline mix between market and affordable because there are valuable conclusions to be

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drawn about imbalances in the size mix of market housing (for example) that would be obscured were the data mixed with the more balanced affordable mix.

5.2.2 Dwelling type

218. Table 5-1 below shows Necton's baseline dwelling mix, which is composed of the 2020 mix plus the breakdown of delivery in the pipeline.
219. The 2011 Census dwelling mix is also given for comparison because (unlike VOA data) it does not count bungalows as an independent category, and so indicates roughly how many of the bungalows in 2020 are detached, semi-detached or terraced bungalows. This is particularly important in Necton, where 52% of homes are bungalows. The Census data suggests that the vast majority of Necton's bungalows are detached.
220. The dwelling mix is therefore clearly dominated by detached homes, many of which are bungalows, with some semi-detached dwellings and very few terraces and flats. The picture in Necton is compared with the breakdown across Breckland and England in Table 5-2, revealing how unusually high the proportions of bungalows and detached homes are in Necton, and the relative lack of terraced homes and flats.
221. This is important because terraces and flats (or maisonettes separating houses into smaller units, which tend to be more in keeping with the character of villages) are generally the most affordable home types. That less than 7% of homes in Necton fall into these categories might be expected to limit the options for local people on lower incomes, whether they are able to buy or rent.
222. However, the mix of homes currently in the development pipeline is much more evenly balanced than the 2020 baseline, with a number of terraces and flats coming forward (including in affordable tenures) and a particularly large number of semi-detached homes. Recent development has helped to widen choice in the market and has increased the number of homes that might be expected to be more affordable for newly-forming households, for example.
223. Although it is not necessarily a given that bungalows are be completely accessible (e.g. for an occupant using a wheelchair), and flats can be equally suitable for people with mobility limitations, Necton's very high number of Bungalows represents a strong offering for older and disabled households that may explain the relatively older population profile (see below).

Table 5-1: Accommodation type, Necton, past, current and pipeline

Dwelling type	2011 (Census)	2020 (VOA)	Pipeline	2020 + Pipeline Total
Detached house	642	230	16	246
Semi-detached house	223	150	41	191
Terraced house	38	30	14	44

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Bungalow	-	570	8	578
Flat	20	20	10	30
Unknown	-	20	10	30

Source: Census 2011, VOA 2020, Breckland Council and planning portal data, AECOM Calculations

Table 5-2: Accommodation type %, Necton and wider geographies

Dwelling type	Necton 2020 + Pipeline	Breckland 2020	England 2020
Detached house	22.0%	25.7%	15.9%
Semi-detached house	17.1%	19.3%	23.8%
Terraced house	3.9%	19.3%	26.4%
Bungalow	51.7%	25.8%	9.4%
Flat	2.7%	6.8%	23.0%
Unknown	2.7%	3.1%	1.4%

Source: VOA 2020, Breckland Council and planning portal data, AECOM Calculations

5.2.3 Dwelling size

224. Table 5-3 sets out current the mix of housing by number of bedrooms in Necton. This has again been determined by combining the size mix in 2020 and the pipeline of near-term future supply. Table 5-4 compares Necton's mix in percentage terms with that of Breckland and England.
225. The size mix in Necton aligns with the picture in terms of home types in that there are extremely few 1 bedroom homes (which tend to be flats – an equally uncommon category in the NA), and large numbers of 2-3 bedroom homes (which are the most frequent sizes for bungalows). There is a significant number of larger homes but these are less common than they are across wider Breckland and England. Necton's size mix can be visualised as a steep bell curve, with 82% of all homes having 2-3 bedrooms and comparatively few in the smallest and largest categories.
226. The pipeline of future supply is generally exaggerating the existing dominance of 2–3-bedroom housing rather than diversifying the stock as is happening for dwelling types. It is also interesting to note that the new market housing is almost exclusively large, detached housing being built on individual plots, while the more large-scale affordable housing is more evenly balanced. In fact, the affordable site is increasing the total number of 1-bedroom homes in Necton by 50%. Unfortunately, it was not possible to analyse the size or type mix of the 89 new homes built between 2001 and today to understand the mix on larger market sites, but these are included in the 2020 baseline.

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Table 5-3: Dwelling size (bedrooms), Necton, current and pipeline

Number of bedrooms	2020 (VOA)	Market Pipeline	Affordable Pipeline	2020 + Pipeline Total
1	20	0	10	30
2	370	0	31	401
3	460	1	28	489
4+	140	6	4	150
Unknown	-	19	-	19

Source: VOA 2020, Breckland Council and planning portal data, AECOM Calculations

Table 5-4: Dwelling size (bedrooms) %, Necton and wider geographies

Number of bedrooms	Necton 2020 + Pipeline	Breckland 2020	England 2020
1	2.8%	7.2%	12.2%
2	36.8%	27.4%	28.1%
3	44.9%	45.9%	43.6%
4+	13.8%	19.3%	15.4%
Unknown	1.7%	0.3%	0.7%

Source: VOA 2020, Breckland Council and planning portal data, AECOM Calculations

5.3 Age and household composition

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

5.3.1 Age structure

228. Table 5-5 shows the most recent estimated age structure of the Necton population, alongside 2011 Census figures. The population profile in percentage terms has experienced some notable changes over the last eight years, with the numbers of both children and those aged over 65 increasing, while middle-aged and younger age cohorts decline slightly. Though only modestly indicated in this data, ageing is the main trend and may well be an important driver of housing need in Necton going forward.

229. ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas.

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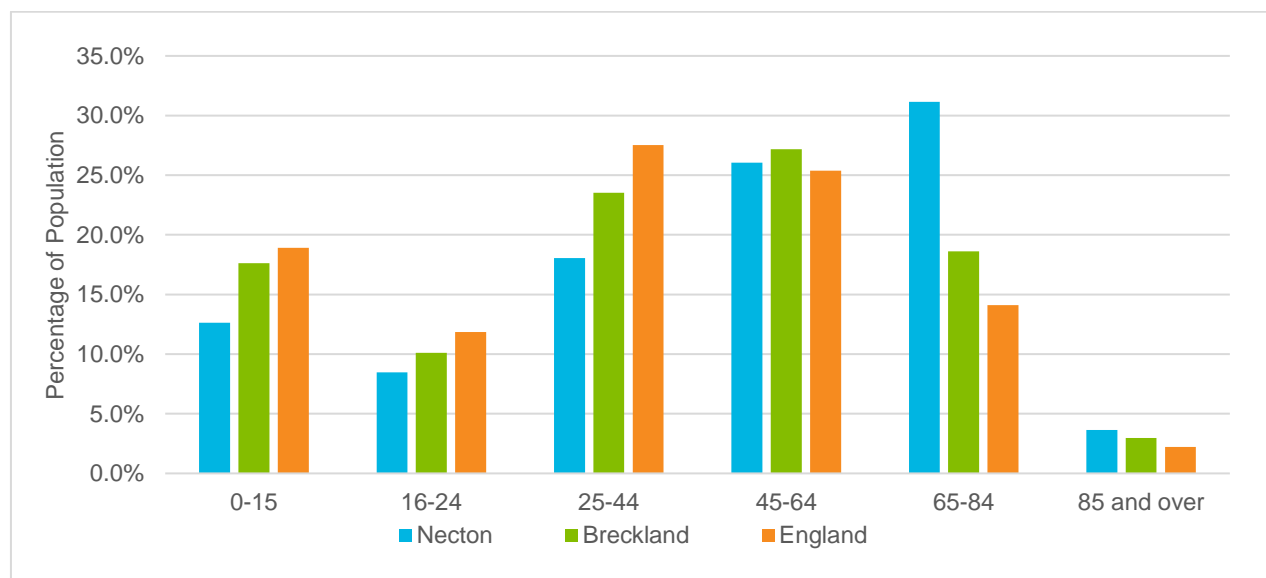
Table 5-5: Age structure of Necton population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	243	12.6%	288	13.6%
16-24	163	8.5%	134	6.3%
25-44	347	18.0%	356	16.8%
45-64	501	26.1%	553	26.1%
65-84	559	31.1%	701	33.1%
85 and over	70	3.6%	87	4.1%
Total	1,923		2,119	

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

230. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the NA population was markedly older than the Breckland average (with a far higher proportion of 65-84 year olds and slightly more 85 and overs, and correspondingly fewer people in other age groups). This is important context for the data discussed directly above: ageing in the last eight years may not be particularly noticeable because a significant amount of ageing was already baked into the starting figures.

Figure 5-1: Age structure in Necton, 2011



231.

Source: ONS 2011, AECOM Calculations

5.3.2 Household composition

232. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

233. Table 5-6 shows that in 2011 Necton had a similar proportion of one person households as the district average. Unlike Breckland and England, however, the

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vast majority of one-person households in Necton were older than 65, in line with the overall population profile discussed above. Of the parish's family households, more of them have no children than dependent (younger) children. Household characteristics in Necton are broadly in line with the picture at wider geographies aside from differences in the age profile and a relative lack of young children.

234. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. Necton has seen a 22% increase in this group between 2001 and 2011, which was double the rate of growth at both wider geographies (noting that this data is now quite old).

Table 5-6: Household composition, various geographies, 2011

Household composition		Necton	Breckland	England
One person household	Total	28.1%	26.0%	30.2%
	Aged 65 and over	20.2%	13.7%	12.4%
	Other	7.9%	12.3%	17.9%
One family only	Total	68.4%	68.0%	61.8%
	All aged 65 and over	22.0%	12.1%	8.1%
	With no children	20.4%	21.9%	17.6%
	With dependent children	17.8%	25.1%	26.5%
	All children Non-Dependent	8.2%	8.9%	9.6%
Other household types	Total	3.5%	6.1%	8.0%

Source: ONS 2011, AECOM Calculations

5.3.3 Occupancy ratings

235. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of Necton. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
236. Across Necton, a combined 79% of people lived in a home with at least one extra bedroom in 2011, with 38% living in a home with two or more extra bedrooms. The percentage of people living in homes with fewer bedrooms than they might be expected to need is low at 4%, although this does indicate that around 80 people may have been (or still be) living in inadequate housing conditions.
237. The previous chapter established the fast-increasing property values in the area, so it would appear that the largest homes are not necessarily occupied by those with

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the largest families but by those with the financial capacity to do so, irrespective of their household size.

238. It is useful to cross-reference this data by age bracket, presented in Table 5-5 below. Extreme under-occupancy (+2 rating) is strongly correlated with age, with those aged 65 or over by far the most likely to under-occupy their homes. At the same time, 10% of children live in over-occupied homes – the highest of any group.

239.

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

Age group	+2 rating	+1 rating	0 rating	-1 rating
0-15	16.0%	42.8%	30.9%	10.3%
16-49	21.2%	41.8%	30.2%	6.8%
50-64	47.0%	41.4%	10.0%	1.6%
65 and over	56.2%	38.8%	4.4%	0.6%
All ages	37.7%	40.8%	17.4%	4.1%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

5.4 Suggested future dwelling size mix

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

- The starting point is the age distribution of Necton households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of Necton.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom

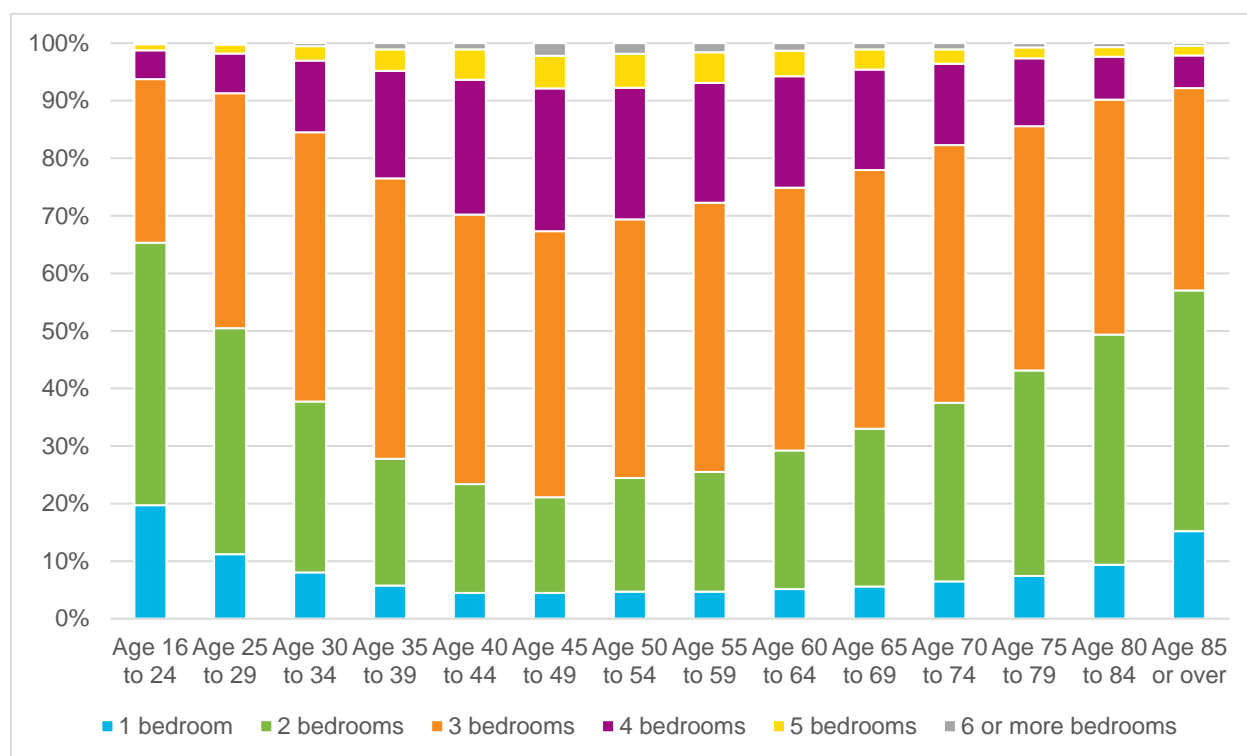
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homes). This data is mapped to the distribution of the projected parish population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.

- This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA (the 2020 baseline plus the mix of pipeline supply as described at the start of this section). From this we can identify how future development might best fill the gaps.
241. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
242. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
243. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
244. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Breckland in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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Figure 5-2: Age of household reference person by dwelling size, Breckland, 2011



245.

Source: ONS 2011, AECOM Calculations

246. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Necton households in 2011. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with the 65 and over category increasing by two-thirds from 2011 levels to become by far the dominant group at 61% of the projected total, while younger age groups see much milder growth or even decline.

Table 5-8: Projected distribution of household life stages, Necton, 2011-2036

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	10	55	227	151	434
2036	8	59	232	175	733
% change 2011-2036	-17%	8%	2%	16%	69%

Source: AECOM Calculations

247. The final result of this exercise is presented in Figure 5-9. The model suggests that new development should be focused on larger and smaller than average homes, with some continued provision of the already most common 3-bedroom homes.

248. This result corrects imbalances in the existing stock of housing, particularly the very low number of 1 and 4+ bedroom homes compared with district levels. This aspect of the model has a far greater effect on its outcome than the projected effects of

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demographic on demand for housing. In other words, regardless of how the population evolves there is likely to demand for a wider range of dwelling sizes than is available currently.

249. 1- and 4-bedroom homes are also well-suited to young or newly-forming households and growing families respectively. Both of these groups are under-represented in the community at present, with significantly fewer households having dependent children than at wider geographies, and comparatively low and stagnating numbers of 16-44 year olds. Providing these home sizes would help to create a more demographically balanced community.
250. However, it is worth saying that many young people would prefer a 2-bedroom home than a 1-bedroom home (affordability concerns aside) so the abundance of 2-bedroom homes at present does potentially provide reasonable options for newly forming households. 1-bedroom flatted housing, while generally the most affordable option, may also be a less appropriate proposition from a design and character standpoint in a location like Necton.
251. For this and other reasons, the results of this model should be interpreted with a high degree of flexibility. It is also never advisable to entirely restrict the supply of specific size categories as is suggested here for homes with 3-bedrooms.
252. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population. For example, the large potential cohort of downsizing older households may have different requirements than are served by the existing stock of mid-sized bungalows. The dominance of the largest homes in this proposed mix may also not be in alignment with wider objectives to improve affordability in market housing.
253. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that a reasonable degree of priority is given to larger and small homes but that this is done in a way that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Table 5-9: Suggested dwelling size mix to 2036

Number of bedrooms	Current (2021) distribution	Target (2036) distribution	Balance of new housing required to reach target mix
1	2.8%	7.2%	31.8%
2	37.5%	29.6%	0.0%
3	45.7%	43.7%	21.0%
4+	14.0%	19.5%	47.3%

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Source: Census 2011, AECOM Calculations

5.5 Conclusions- Type and Size

254. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
255. The existing housing stock
256. Necton's housing mix is dominated by detached homes and bungalows, with some semi-detached dwellings and very few terraces and flats. More than half of dwellings are bungalows, a feature that may explain the relatively older demographic profile than wider Breckland.
257. That less than 7% of homes in Necton fall into the categories of terraces and flats (which tend to be more affordable than other types) might be expected to limit the options for local people on lower incomes, whether they are able to buy or rent.
258. However, the mix of homes in the future development pipeline is much more evenly balanced than the 2020 baseline, with a number of terraces and flats coming forward (primarily in affordable tenures) and a particularly large number of semi-detached homes. Recent development has helped to widen choice in the market in terms of dwelling type.
259. In terms of dwelling size, the mix of housing locally is heavily weighted towards the middle of the size spectrum, with 82% of homes having 2-3 bedrooms, and less than 3% having 1-bedroom. This aligns with the picture of dwelling types because bungalows tend to have 2-3 bedrooms and there are very few flats (the most likely category to have just 1-bedroom).
260. The pipeline of future supply is exaggerating the existing dominance of 2-3 bedroom housing rather than diversifying the stock as is happening for dwelling types. It is also interesting to note that the new market housing is almost exclusively large, detached housing being built on individual plots, while the more large-scale affordable housing is more evenly balanced (and dominated by homes with 2-3 bedrooms).
261. Demographics
262. The age structure of the population is a key indicator of the future need for housing. Necton has a much older population profile than Breckland and England. The older age brackets have also grown the fastest between the 2011 Census and the latest

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ONS estimates for 2019. Currently around 63% of the population are aged over 45 and 37% are aged over 65.

263. Compared to Breckland, a far higher proportion of single person households in Necton are aged over 65 and a lower proportion of family households have dependent children, although the number of children is estimated to have increased between 2011 and 2019.
264. Necton has a high rate of under-occupancy, particularly given the relatively low number of bedrooms in the housing stock, with 79% of people living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census).
265. Applying ONS household projections for Breckland to the Necton population suggests that by 2036 the 65 and over cohort could increase by over two thirds on 2011 levels to become by far the dominant group at 69% of the projected total, while the youngest age groups stagnate. It is clear that ageing will be a major driver of housing need in Necton going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.
266. The future dwelling mix
267. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that new development should be focused on larger and smaller than average homes, with some continued provision of the already most common 3-bedroom homes. It is recommended that 32% of homes have 1-bedroom, 21% have 3-bedrooms and 47% have 4+ bedrooms.
268. This result corrects imbalances in the existing stock of housing, particularly the very low number of 1 and 4+ bedroom homes compared with district levels. The key message is that regardless of how the population evolves there is likely to demand for a wider range of dwelling sizes than is available currently.
269. 1 and 4 bedroom homes are also well-suited to young or newly-forming households and growing families respectively. Both of these groups are under-represented in the community at present, with significantly fewer households having dependent children than at wider geographies, and comparatively low and stagnating numbers of 16-44 year olds. Providing these home sizes would help to create a more demographically balanced community.
270. However, the result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population. For example, the large potential cohort of downsizing older households may have different requirements than are served by the existing stock of

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mid-sized bungalows. The youngest newly forming households may also prefer to have 2 bedrooms than 1 if they can afford to do so. And if the community wishes to improve affordability in market housing, the focus on larger homes in this recommendation may not be appropriate.

271. As such, it is recommended that a reasonable degree of priority is given to larger and small homes but that this is done in a way that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

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6. Conclusions

6.1 Overview

272. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of study findings with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Tenure and affordability</p>	<p>Necton’s current tenure mix reveals a very high rate of home ownership (80%) compared to wider Breckland (69%) and England (63%). Necton had a lower proportion of Affordable Housing than the district at the time of the 2011 Census, but this has risen slightly in the years since and is anticipated to significantly increase in 2022/23 with the delivery of a 73-unit Affordable Housing only scheme and 22-unit First Homes scheme. The proportion of all housing that is in affordable tenures will rise from 11% to 17% with the completion of these schemes to exceed the rate for Breckland in 2011.</p> <p>However, it is worth noting that aside from this site, past and future Affordable Housing delivery in Necton is low. Less than 14% of the 89 homes built since 2011 were affordable, and all of the other 26 homes in the development pipeline are in market tenures. This is because development has tended to take place on infill sites that are not large enough to meet the threshold above which Affordable Housing policy applies.</p> <p>Home values in Necton have increased slightly by 60-75% the last ten years, with the result that the average (mean) home costs £113,000 more today than in 2011 and the lower quartile (or entry-level) home costs £73,000 more – presenting a significant additional barrier to home ownership and an immense challenge for those with lower incomes wishing to buy locally. Of the 11 newly built properties sold in the last three years, the median price was £225,000.</p> <p>The average household income in Necton is £40,000, and the lower quartile income (per person) for Breckland was £13,379 in 2019.</p>	<p>Home ownership through the mainstream market is not an option for the majority of local people. A household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area.</p> <p>Private renting is generally affordable to most households in Necton. However, the fact that a 5-mile radius needed to be used to find examples of rental listings points to a lack of this important form of accommodation in the parish.</p> <p>There is a relatively large group of households in Necton who may be able to afford to rent privately but cannot afford home ownership. This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership, all of which are valuable to different segments of the local population.</p> <p>This HNA finds that a discount level of 40% is necessary to make First Homes affordable to the target group and would be justified in Necton. Seeking higher discounts on First Homes may, however, have viability implications on schemes that could reduce the overall number of affordable homes, so the potential implications should be thought through with Breckland Council.</p> <p>The affordable rented sector performs a vital function in Necton as the only option for a large segment of those in the greatest need.</p> <p>This report estimates Necton’s Affordable Housing needs through two calculations that use up-to-date and locally-specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.</p> <p>The result of the first calculation is a surplus of 0.6 units per year (or 8 rounded over the 14-year Neighbourhood Plan period). This is initially surprising given that there is currently a backlog of 15 households in need (according to Breckland Council data). However, what the model is suggesting is that turnover in the existing stock should be sufficient to meet newly arising needs as well as the current backlog.</p> <p>The 63 units of affordable rented accommodation expected to complete in the next few years are more than sufficient to meet the need identified here. However, these new homes may need to meet the needs of the wider district and so it should be monitored how far the backlog of needs among Necton residents specifically is reduced as a result of this supply.</p> <p>Turning to Affordable Housing providing a route to home ownership, it is estimated that around 4.2 households per year may be interested in such products (equating to a total of 62 over the Plan period. Potential demand for 30 further such homes remain after pipeline supply is deducted.</p> <p>AECOM recommends that roughly one third of any further Affordable Housing in Necton should take the form of rented tenures such as social and affordable rent, with two thirds as affordable routes to home ownership</p>

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Issue	Summary of evidence and data assessed	Conclusions and recommendations
Type and size	<p>Necton's housing mix is dominated by detached homes and bungalows, with some semi-detached dwellings and very few terraces and flats. More than half of dwellings are bungalows, a feature that may explain the relatively older demographic profile than wider Breckland.</p> <p>The mix of homes in the future development pipeline is much more evenly balanced than the 2020 baseline, with a number of terraces and flats coming forward (primarily in affordable tenures) and a particularly large number of semi-detached homes.</p> <p>In terms of dwelling size, the mix of housing locally is heavily weighted towards the middle of the size spectrum, with 82% of homes having 2-3 bedrooms, and less than 3% having 1 bedroom.</p> <p>The pipeline of future supply is exaggerating the existing dominance of 2-3 bedroom housing rather than diversifying the stock as is happening for dwelling types.</p> <p>Necton has a much older population profile than Breckland and England. The older age brackets have also grown the fastest between the 2011 Census and the latest ONS estimates for 2019. Currently around 63% of the population are aged over 45 and 37% are aged over 65.</p> <p>Compared to Breckland, a far higher proportion of single person households in Necton are aged over 65 and a lower proportion of family households have dependent children, although the number of children is estimated to have increased between 2011 and 2019.</p> <p>Necton has a high rate of under-occupancy, particularly given the relatively low number of bedrooms in the housing stock, with 79% of people living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census).</p>	<p>That less than 7% of homes in Necton fall into the categories of terraces and flats (which tend to be more affordable than other types) might be expected to limit the options for local people on lower incomes, whether they are able to buy or rent.</p> <p>Applying ONS household projections for Breckland to the Necton population suggests that by 2036 the 65 and over cohort could increase by over two thirds on 2011 levels to become by far the dominant group at 69% of the projected total, while the youngest age groups stagnate.</p> <p>To rebalance the housing mix, new development should be focused on larger and smaller than average homes, with some continued provision of the already most common 3-bedroom homes. It is recommended that 32% of homes have 1 bedroom, 21% have 3-bedrooms and 47% have 4+ bedrooms.</p> <p>This result corrects imbalances in the existing stock of housing, particularly the very low number of 1 and 4+ bedroom homes compared with district levels. The key message is that regardless of how the population evolves there is likely to demand for a wider range of dwelling sizes than is available currently.</p> <p>However, the result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is recommended that a reasonable degree of priority is given to larger and small homes but that this is done in a way that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.</p>

6.2 Recommendations for next steps

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

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Breckland Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and

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- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Breckland Council.
274. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
275. Bearing this in mind, it is recommended that the Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Breckland or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
276. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.
- 277.

Appendix A : Calculation of affordability thresholds

A.1 Market housing

278. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
279. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.
- i) Market sales
280. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
281. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Necton, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
282. The calculation for the purchase threshold for market housing is as follows:
- Value of median NA house price (2020) = £225,833;
 - Purchase deposit at 10% of value = £22,583;
 - Value of dwelling for mortgage purposes = £203,250;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £58,071.
283. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £195,375, and the purchase threshold is therefore £50,239.
284. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records just no sales of new build properties in Necton in 2020, however there were 6 new properties sold in 2019 and a further 5 in 2018. Although these transactions were limited to only a few new developments (on Tuns Road,

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Treasure Grove and Maple Drive) and were exclusively detached houses, they represent a reasonable benchmark for the cost of new housing in the NA.

285. Of the 11 newly built properties sold in the last three years, the median price was £225,000. For context, the lowest price in this sample was £200,000 and the highest was £322,000. It is worth noting that this new build median of £225,000 is almost identical to the overall median of existing housing in Necton in 2020.
286. This might initially suggest that newly built housing and existing housing costs the same, but on a like-for-like basis this is unlikely to be true. It is more likely that the newly built detached housing is offered on smaller plots or with a smaller floorplate than the median existing home, but commands a modest premium because it is new and meets modern regulations and requirements. Nevertheless, the figure of £225,000 is a robust indicator of the cost of an average home in the NA, whether newly built or existing.
287. No entry-level new build homes, such as terraces or smaller units, appear to have been sold in Necton recently. The last time this happened was in 2016 when semi-detached homes were sold on Ash Meadow and Oaks Drive for £170,000. This is around 20% cheaper than equivalent detached homes at that time. While it would not be realistic to expect that a semi-detached home would sell at this price today, due to inflation in the market, it is reasonable to assume that an entry-level home might cost around 20% less than the current median.
288. This would produce an estimated price of £180,000 for a non-detached (or entry-level) new build house in Necton today. This is cheaper than the lower quartile average for existing homes in 2020. However, that lower quartile average is still a detached home because exactly three-quarters of the homes sold in 2020 were detached. It is not surprising therefore that a newly built non-detached home could cost less than an existing detached home (even one at the lower end of the market for detached homes).
289. These two benchmarks for newly built housing produce the following purchase thresholds, using the same approach as set out above:
- Median new build: £57,857;
 - Entry-level new build: £46,286.

ii) Private rent

290. Income thresholds are used to calculate the affordability of rented housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
291. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming

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increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

292. The property website Rightmove gathers rental listing data for Necton. However, there were no properties listed for rent in the NA at the time of search in July 2021. A wider radius of 5 miles from Necton village was therefore used. This unfortunately encompasses Swaffham, where rented housing may not be representative of homes in Necton, but was necessary for the purpose of producing a large enough sample.
293. Of the 17 rental listings observed (including those with lets agreed), 5 of these were for 2 bedroom properties and 12 were for other sizes.
294. The calculation for the private rent income threshold for 2 bedroom dwellings, which is used to represent an entry-level property, is as follows:
 - Annual rent = £675 x 12 = £8,100;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £27,000.
295. The income threshold for the overall average monthly rent of £975 is £39,000.

A.2 Affordable Housing

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

i) Social rent

297. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
298. To determine social rent levels, a statistical data return from Homes England is used. This data is only available at the Local Authority level, so Breckland must act as a proxy for Necton. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Breckland in the table below.
299. To determine the income needed, it is again assumed that no more than 30% of household income should be spent on rent. This is an assumption only for what

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might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

300.

Table A-1: Social rent levels, Breckland, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£75.94	£87.40	£93.39	£102.08	£89.11
Annual average	£3,949	£4,545	£4,856	£5,308	£4,634
Income needed	£15,796	£18,179	£19,425	£21,233	£18,535

Source: Homes England, AECOM Calculations

ii) Affordable rent

301. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
302. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
303. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Breckland (above). Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
304. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in Necton are actually closer to 70% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels, Breckland, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£89.20	£109.91	£126.37	£150.33	£110.03
Annual average	£4,638	£5,715	£6,571	£7,817	£5,722
Income needed	£18,554	£22,861	£26,285	£31,269	£22,886

Source: Homes England, AECOM Calculations

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iii) Affordable home ownership

305. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.
306. In paragraph 65 of the NPPF, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.
307. First Homes
308. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
309. The starting point for these calculations is therefore the estimated cost of an entry-level new build home in Necton of £180,000 noted above. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of an entry-level new property = £180,000;
 - Discounted by 30% = £126,000;
 - Purchase deposit at 10% of value = £12,600;
 - Value of dwelling for mortgage purposes = £113,400;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £32,400.
310. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £27,771 and £23,143 respectively.
311. All of these estimates are comfortably below the ceiling of £250,000 for First Homes, and all of the income thresholds are below the cap of £80,000 above which households are not eligible.
312. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sqm and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. There is potential for this to be an issue

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in Necton for the higher discount levels, and may warrant discussion with Breckland Council about the conclusions of any viability evidence they have produced.

313. Shared ownership

314. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
315. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
316. To determine the affordability of shared ownership, calculations are again based on the estimated costs of smaller and larger newly built flats. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
317. The affordability threshold for smaller flats at a 25% equity share is calculated as follows:
- A 25% equity share of £180,000 is £45,000;
 - A 10% deposit of £4,500 is deducted, leaving a mortgage value of £40,500;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £11,571;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £135,000;
 - The estimated annual rent at 2.5% of the unsold value is £3,375;
 - This requires an income of £11,250 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £22,821 (£11,571 plus £11,250).

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318. The same calculation is repeated for equity shares of 10% and 50%, producing affordability thresholds of £18,129 and £30,643 respectively. These are all below the relevant caps, but may again have viability implications.
319. Rent to buy
320. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

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Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods⁶.

Age-Restricted General Market Housing

⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard⁷

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁸

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

Concealed Families (Census definition)⁹

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

⁷ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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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 or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

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Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework).

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹⁰, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development

¹⁰ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

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Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, 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 Housing¹¹

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedrooomed. 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

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

Strategic Housing Market Assessment (NPPF Definition)

¹¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.¹²

¹² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

