



# Upper Beeding Parish Council Housing Needs Assessment

November 2017

## FINAL DRAFT REPORT

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## Glossary of terms used in the text:

AH	Affordable Housing (NPPF definition)
AHNMU14	Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update 2014
AMH	Affordable Market Housing
UBPC	Upper Beeding Parish Council
CtCLEP	Coast to Capital Local Enterprise Partnership
CtCSEP14	Coast to Capital Strategic Economic Plan 2014
DCLG	Department for Communities and Local Government
HDC	Horsham District Council
HDEP16	Horsham District Economic Plan 2016
HDPF15	Horsham District Planning Framework 2015
HEP16	Horsham Economic Profile, December 2016
HMA	Housing Market Area
HNA	Housing Needs Assessment
HNSR	Housing Needs Survey Report, November 2014
HNHD15	Housing Need in Horsham District, March 2015
LPA	Local Planning Authority
NDP	Neighbourhood Development Plan
NPPF	National Planning Policy Framework
MH	Market Housing
OAN	Objectively Assessed Need
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA09	Northern West Sussex Strategic Housing Market Assessment, May 2009
SHMAU12	Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012
UKHPI	UK House Price Index

## 0. Executive Summary

### 0.1 Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing town and parish councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area.
2. As more and more town and parish councils and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
3. In the words of the National Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood conforms with trends in the wider Housing Market Area (HMA) but also diverges from them, to reveal its own particular characteristics. This approach reflects the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.
4. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood development plans (NDPs) can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.
5. Our brief was to advise on data at this more local level to help Upper Beeding Parish Council (UBPC) understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

### 0.2 Summary of Methodology

6. Housing Needs Assessment at neighbourhood plan level focuses on either quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example, where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
7. In the case of UBPC, the current adopted Development Plan, the Horsham District Planning Framework 2015 (HDPF) sets out the planning strategy for the Horsham District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the district.
8. In Policy 15, the HDPF sets a housing figure for the district to be delivered over the Plan Period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning.'<sup>1</sup>
9. One purpose of this study is to identify a housing number for Upper Beeding that takes into consideration these numbers.
10. The targets set out in Policy 15 should be understood as the minimum number to be delivered over the plan period; for this reason, a number of projections are tabled that place the number derived from Local Plan policy into a context.
11. In order to carry out this assessment we reference a number of studies commissioned by Horsham District Council. These are the [Northern West Sussex Strategic Housing Market Assessment](#), May 2009 (SHMA09); the [Northern West Sussex – Horsham Strategic Housing Market Assessment Update](#), October 2012 (SHMAU12) and the [Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update](#) (AHNMU14). Together these documents represent the evidence base supporting the LPA's housing policies, and are referred to collectively as the 'SHMA studies.'

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<sup>1</sup> HDPF, page 56



12. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to pass examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the HDPF. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.<sup>2</sup>
13. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in UBPC we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
14. Data and materials gathered relevant to this HNA have been sourced and analysed in line with PPG;<sup>3</sup> together, they provide a balance of sources that capture a local perspective.
15. The housing projections set out in this HNA correspond with the Neighbourhood Plan period of 2017-2031; this in turn corresponds with the plan period for the HDPF.

### 0.3 Focus On Demand Rather Than Supply

16. The assessment provides advice on the housing required based on need and/or demand rather than supply, as recommended in PPG<sup>4</sup>. For this reason, we advise that the conclusions of this report should next be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study .

### 0.4 Quantity of Housing Needed

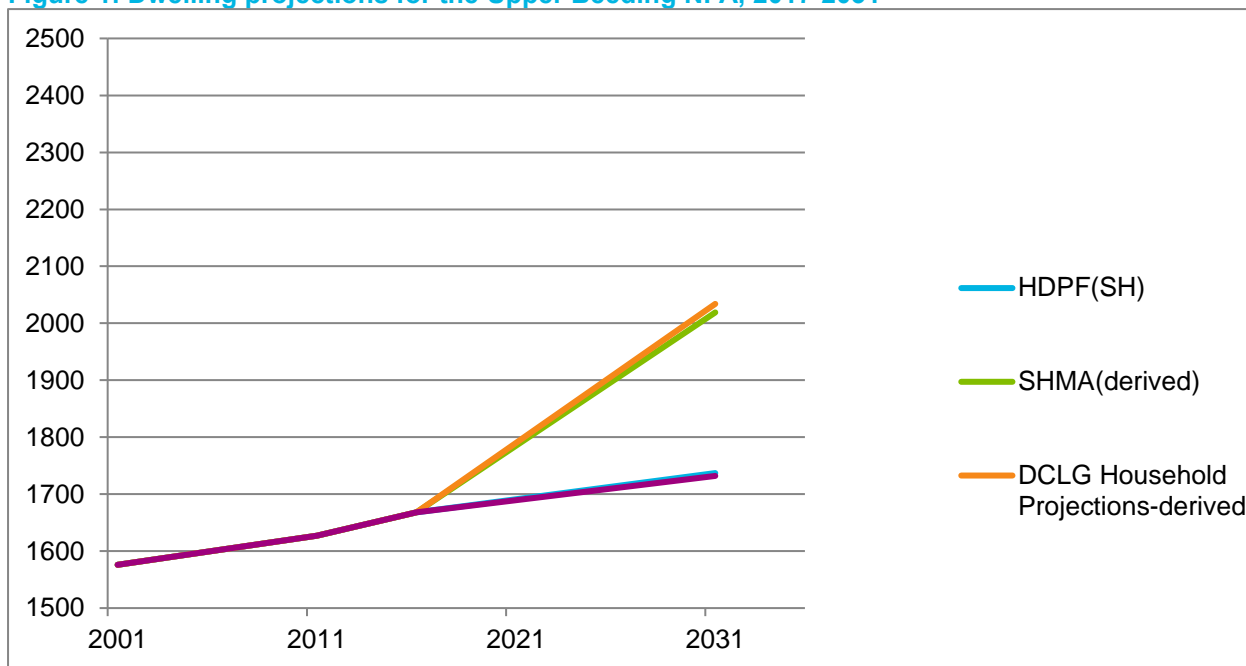
17. We have estimated the quantity of housing needed in NPA derived from four different sources; these are,
  1. Horsham District Planning Framework 'settlement hierarchy' minimum derived figure (HDPF) 2011-31, which generates a projection of **69 dwellings over the plan period or 5 dwellings per annum (rounded)**;
  2. Horsham District Planning Framework 'district' minimum derived figure (HDPF) 2011-31, which generates a projection of **446 dwellings over the plan period or 32 homes per year (rounded)**;
  3. Housing Need in Horsham 2015 (SHMA) –a proportional share drawn from OAN produces a final target of **351 dwellings over the plan period, or 25 per year (rounded)**;
  4. DCLG Household projections generate a re-based projection of **366, or 26 dwellings (rounded) over the plan period**; and
  5. A projection derived from homes growth between 2001 and 2016 (based on Census and Horsham District Council figures) of **64 homes over the plan period**.

<sup>2</sup> See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

<sup>3</sup> See Planning Practice Guidance Paragraphs: 014 Reference ID: 2a-014-20140306 and 009 Reference ID: 2a-009-20140306

<sup>4</sup> 'the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.' PPG (date)




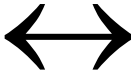
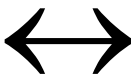
**Figure 1: Dwelling projections for the Upper Beeding NPA, 2017-2031**



Source: AECOM Calculations

18. The graph above (the vertical axis indicates the number of homes) sets out the total number of homes factoring in each of the projections we have identified in Upper Beeding. So, for example, factoring in DCLG derived data (orange line) to the number of dwellings that have already been built in the NPA between 2011 and 1st January 2016 (18) produces a total requirement that there should exist 2,034 homes by the end of the Plan Period (combining existing completed dwellings, and new homes that are required to be built).
19. The starting point to arrive at an overall projection for housing numbers to be delivered in the NPA over the Plan Period is the average of the five projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded.
20. We have received explicit guidance from HDC that the projection 2, derived from the overall housing target for the district should be discounted, and only the 'settlement hierarchy' number taken into consideration. For this reason, we have excluded projection 2 from our calculation. **The average of the remaining projections comes to 213 dwellings, or 15 dwellings per year over the Plan Period (rounded).**
21. Moreover, a further assessment applied to this initial projection indicates that market signals (for example the economic context in which the NPA sits, together with the performance of the housing market) are likely to impact on it. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.

**Table 1: Summary of factors specific to Upper Beeding with a potential impact on neighbourhood plan area housing**

Factor	Source(s) (detailed in Chapter 5)	Possible impact on future housing need	Rationale for judgement
<b>Employment trends</b>	HNHD15, CtCSEP2014, HDEP16, HEP2016, SHMA09, Census 2001/11		<p>Upper Beeding has been shown to be connected to the wider economic area, and therefore demand for housing will be stimulated by economic growth in the Brighton and Hove and Wider Coast to Capital Economic Area.</p> <p>Furthermore Upper Beeding has been shown to have a significant degree of home workers, a sector which has high potential for future growth as noted in the Horsham District Economic Profile 2016.</p> <p>As a result, an assessment of two up arrows has been deemed appropriate because of the current strength and predicted future growth of employment opportunities in the local area.</p>
<b>Housing transactions (Prices)</b>	SHMA09, Land Registry Price Paid Data for 2006-2016, HNHD15		<p>The Upper Beeding NPA has been shown to have experienced a 34% increase in prices paid over a ten year period, with larger increases for smaller, more affordable properties such as terraces.</p> <p>As a result an assessment of one up arrow has been deemed appropriate due to the relatively low increases in house prices experienced in the NPA when assessed against the District, thus placing it more in line with HMA comparator areas.</p>
<b>Housing Transactions (Volume)</b>	Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA09		<p>The volume of sales in Upper Beeding has been shown to be more resilient to the effects of the double dip national recession than the rest of the housing market area, demonstrating the ongoing demand for housing in the NPA.</p> <p>Furthermore, the proportion of all properties sold in Upper Beeding that fall into each type matches how these types are represented in the existing stock, except for flats and terraces, where a higher number has been sold. This suggests these types are in particularly high demand. For this reason, two upward arrows are deemed appropriate.</p>
<b>Migration</b>	HNHD15, SHMA 2009, Census data 2001, 2011		<p>Migration is not seen as significant factor in determining housing need given that just 29% of the 6% of Upper Beeding residents born outside of the UK arrived in the last 10 years.</p>
<b>Overcrowding</b>	Census data 2001, 2011		<p>While there is some evidence of over-crowding in Upper Beeding, this is not seen as sufficient to justify a policy response.</p>

**Concealment**Census data 2001,  
2011

Upper Beeding's rate of concealed families (1.4%) is higher than that of Horsham District as a whole (1.3%) indicating some level of demand; therefore one up arrow is considered appropriate.

**Rate of development**HDC, HNHD15 Land  
Registry Data/AECOM  
Calculations

The local authorities in the wider North West Sussex Housing Market Area have significantly under-delivered against HMA targets over the past eight years.

Furthermore the rate of development in Upper Beeding increased in 2015/16. This suggests a period of under-delivery prior to this year had created a latent demand; the development exhibited in 2015/16 is evidence of the market responding to this demand as the national economy recovers. In order to sustain this process, an assessment of one up arrows is deemed appropriate.

22. Market signals research has shown that Upper Beeding is located in an area with a high potential for jobs growth, as a result of its closeness to Brighton, and the 'Coast to Capital' economic region, as well as its high level of home working, small businesses and business survival rates.
23. Moreover, there is strong evidence of disequilibrium between demand and supply within the housing market exhibited through increasing house prices and the speed with which dwellings change hands, particularly among smaller dwellings. This suggests supply struggles to keep up with demand. This position is potentially exacerbated by the weak record of supply at the district level, notwithstanding the construction of 18 dwellings over the last 5 years.
24. While we are mindful of these factors, we are also conscious that the 'settlement hierarchy' approach to the calculation of a housing target for the town suggests Upper Beeding has already satisfied its housing target. For this reason we do not propose any uplift to the housing projection arrived at in Paragraph 20.

**Table 2: Summary of local factors specific to Upper Beeding with a potential impact on neighbourhood plan housing characteristics**

<b>Factor</b>	<b>Source(s) (see Chapter 4)</b>	<b>Possible impact on housing needed</b>	<b>Conclusion</b>
<b>Affordable Housing (AH)</b>	Census, HNSR, SHMA studies	<p>The current tenure profile of the area (dominated by owner occupation) leaves little suitable accommodation for those on low incomes</p> <p>Roughly 8% of households in 2014 were eligible for affordable housing; this is also the proportion of the housing stock defined as AH.</p> <p>The small growth in shared ownership dwellings</p> <p>At the level of the HMA, a crisis of affordability is identified, with households on lower and median incomes unable to access affordable market housing (AMH)</p> <p>Households on mean and median incomes within Horsham District are unable to afford entry-level properties</p>	<p>Those households ineligible for affordable housing, but who cannot afford market housing, may struggle to access housing suitable for their needs, meaning they may need to move out of the area.</p> <p>While an equilibrium between AH need and supply can be said to exist, it is important to note this is an artificial construct given that demand and supply are attenuated by eligibility criteria and practical constraints on delivery. Moreover, the presence of a small but persistent group of 'concealed households' suggests small backlog that policy should seek to clear, as well as ensuring future needs are met</p> <p>The growth of shared ownership could be a plausible route to home ownership for those on low incomes, for example first time buyers, leading to the recommendation that a substantial share of AH quotas that come from housing development should be allocated to this tenure type.</p> <p>Household income levels generate a compelling argument for discounted market sales housing and affordable private rent housing. These tenure types are particularly suitable for first time buyers.</p>
<b>Demand/ need for smaller dwellings</b>	Census, Land Registry Price Paid Data	<p>The current housing stock exhibits a strong bias towards larger dwellings, and relatively few flats</p> <p>Changes in the profile of the housing stock saw an increase in larger family dwellings and households occupying homes consisting of three rooms.</p> <p>Data from housing transactions reveals house prices for smaller dwelling types, such as terraced dwellings and flats has increased more strongly than for detached and semi-detached properties.</p>	<p>The growth of three room households points to an increase in the numbers of older people, who have reached an age where they are looking for a smaller home.</p> <p>The lack of smaller dwellings is likely to lead to the displacement of households on lower incomes from the area, as discussed above.</p> <p>Findings from the housing transactions suggests demand is high for smaller, more affordable homes, leading to the recommendation that these type of dwellings should form a larger proportion of new homes being delivered than has previously been the case.</p>
<b>Demographic Change</b>	Census, SHMA studies	<p>A substantial increase in the numbers of older people is recorded, and this is forecast to continue</p>	<p>The increase in the proportion of the population accounted for by older people creates an imperative for housing policy to address their needs, for example dwellings of a manageable size designed to be 'age-friendly.'</p> <p>In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population.</p>

This provides an estimate of the increase in the numbers of older people aged 75+ of 59. This will result, over the plan period, in a need for additional

- conventional sheltered housing units =  $60 \times 6\% = 4$ ;
- leasehold sheltered housing units =  $120 \times 6\% = 8$
- 'enhanced' sheltered units, split 50:50 between those for rent and those for sale =  $20 \times 6\% = 1$  (rounded)
- additional extra care housing units for rent =  $15 \times 6\% = 1$
- additional extra care housing units for sale =  $30 \times 6\% = 2$
- specialist dementia care homes =  $6 \times 6\% = 1$ <sup>5</sup>

**Family-sized housing**

Other changes in age structure reinforce the impression of a family orientated community, as well as a place of retirement.

Larger dwellings should form an important part of the mix of types and sizes of homes provided over the plan period.

<sup>5</sup> This finding suggests it would not be economic to provide a single specialist unit of this type within Upper Beeding, and may be better located nearby in locations that are more accessible to key services (e.g. Lancing, Worthing, Shoreham)

## 0.5 Recommendations for next steps

25. This neighbourhood plan housing needs advice has aimed to provide UBPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with HDC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
  - The Basic Conditions that neighbourhood plans need to fulfil in order to pass examination, in particular having regard for national policies and advice contained in guidance issued by the Secretary of State; that its policies contributes to the achievement of sustainable development and are in general conformity with the adopted strategic local policies<sup>6</sup>;
  - the views of HDC – in particular in relation to the housing need figure that should be adopted;
  - the views of local residents as captured in the Consultation Statement and household surveys;
  - the views of other relevant local stakeholders, including housing developers;
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the HDC, including but not limited to the SHLAA; and
  - the recommendations and findings of this study.
26. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
27. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
28. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by HDC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
29. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Tables 1 and 2 would be particularly valuable.

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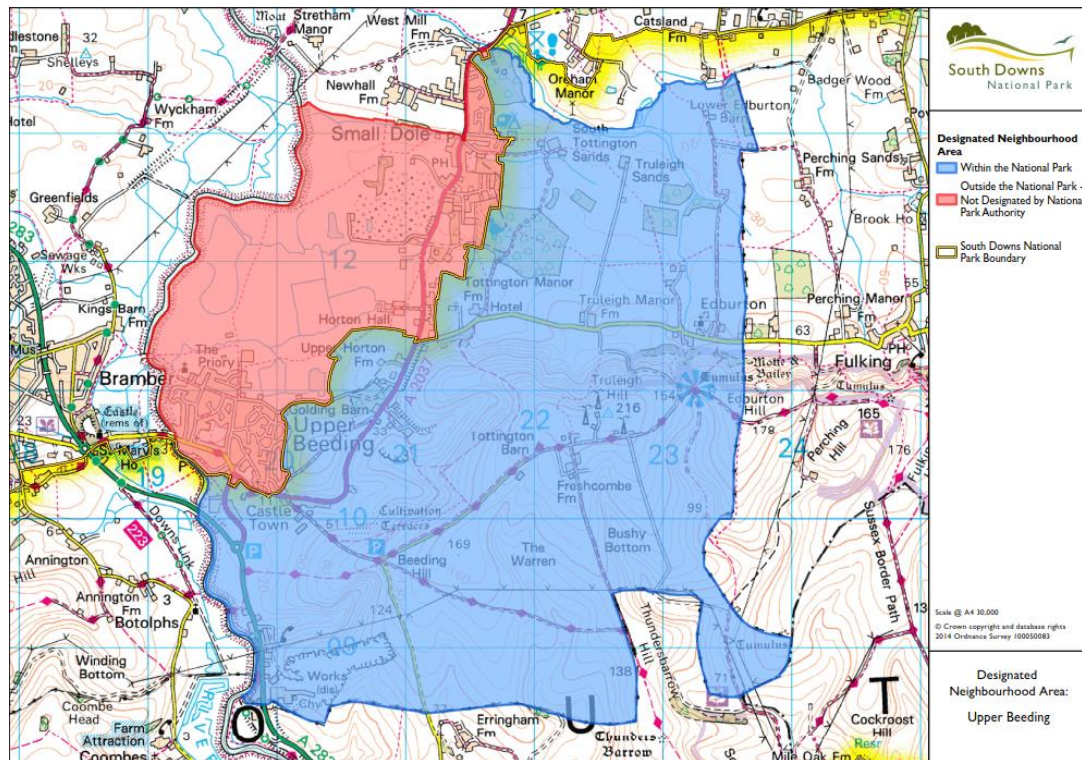
<sup>6</sup> The five basic conditions and how they should be addressed can be seen in the document 'How to Write a Basic Conditions Statement, <https://mycommunity.org.uk/wp-content/uploads/2016/08/How-to-write-a-basic-conditions-statement.pdf> (visited 19/09/17)

# 1. Context

## 1.1 Local context

- 29. The parish of Upper Beeding consists of the villages of Upper Beeding, Small Dole and Edburton in the Horsham district of West Sussex, approximately 5 miles from the coast itself. Upper Beeding sits on the River Adur. The parish sits on the northern edge of the South Downs National Park, and approximately two thirds of the neighbourhood plan area, which encompasses the entire parish, falls within the Park's boundary.
- 30. The village sits in close proximity to the A283 which leads from Milford to Shoreham by Sea, and has benefited from a bypass around the nearby villages of Bramber and Steyning, built roughly 25 years ago.

Figure 2: Upper Beeding Neighbourhood Plan Area



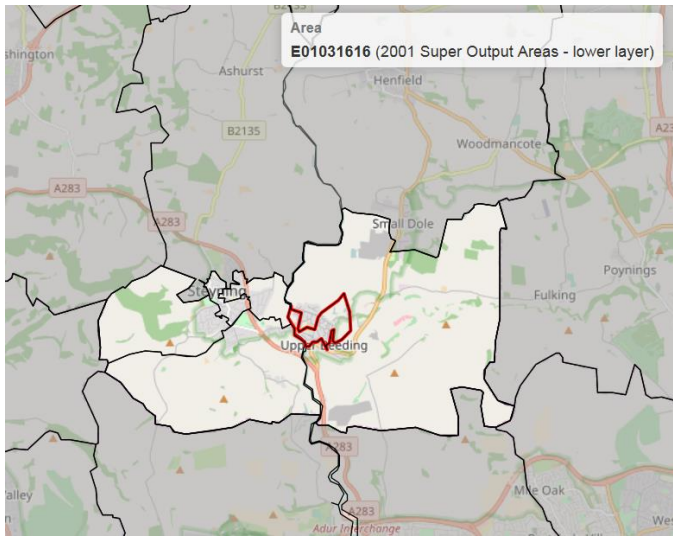
Source: Upper Beeding Parish Council

## 1.2 Census Geography

31. For the purposes of this study, census data was downloaded for both 2001 and 2011 Censuses to contribute to an assessment of the housing needs in the area. Whilst the 2011 Census data can be filtered down to the Parish level, thereby ensuring exact accuracy, 2001 Census data is grouped according to a series of other geographical areas or units, not parishes, which are: Output Areas (OAs), Lower Layer Super Output Areas (LSOAs), and Medium Layer Super Output Areas (MSOAs). As such, to find the appropriate 2001 Census for the entire parish, a combination of these needs to be used. As shown in figure 3 below, one LSOA, E01031616, corresponds to the centre of Upper Beeding. However, the adjacent LSOA, E01031617, covers areas that fall outside the Parish boundary. Therefore, a series of smaller geographies must be used to capture data for this area correctly.

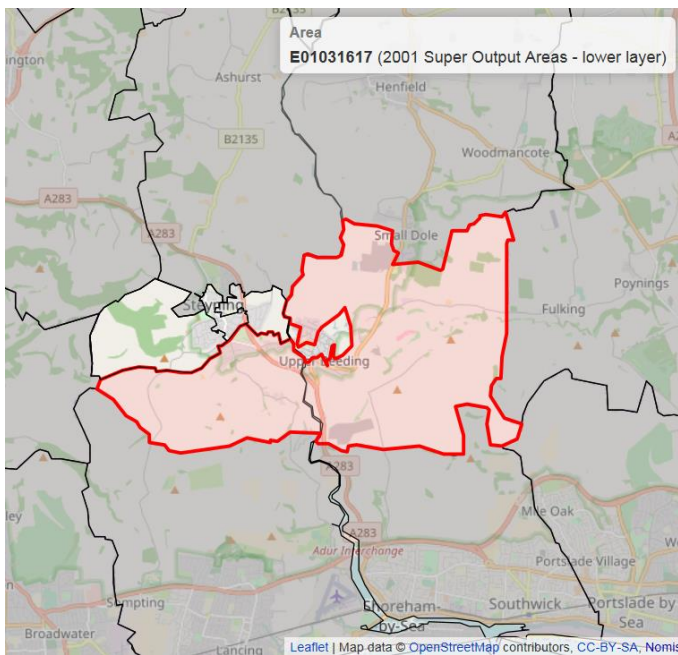


**Figure 3: Correct 2001 Census Super Lower Layer Super Output Area for Upper Beeding centre (E01031616)**



Source: <http://www.nomisweb.co.uk/>

**Figure 4: Incorrect 2001 Census Super Lower Layer Super Output Area for Upper Beeding outskirts (E01031617)**



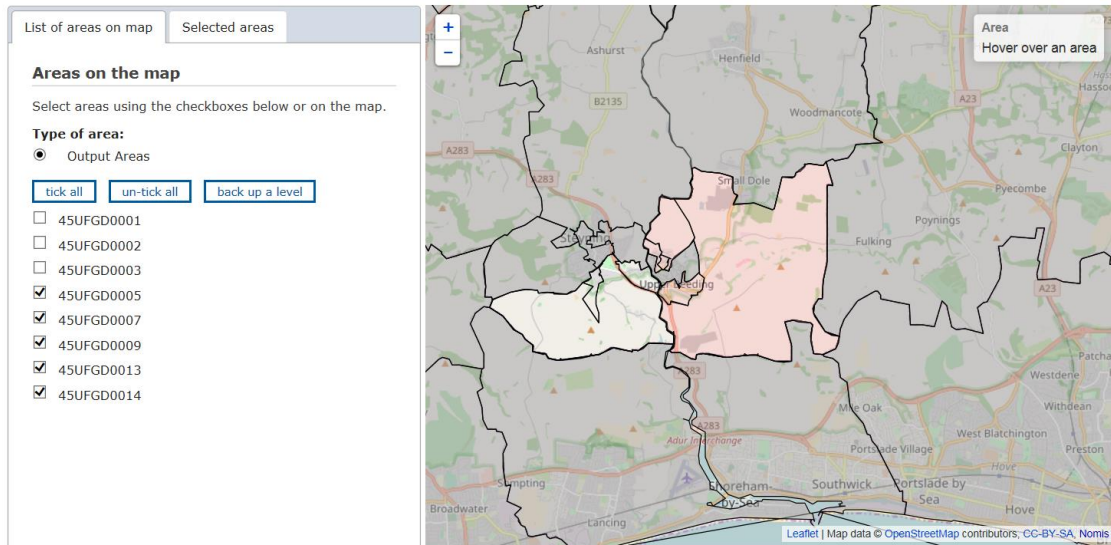
Source: <http://www.nomisweb.co.uk/>

32. To capture the correct data, the LSOA E01031617 is broken down into its individual component Output Areas (OAs), to select those that fall within the parish boundary. These comprise five OAs as listed in Figure 5 below.

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**Figure 5: Matching 2001 Census Output Areas for Upper Beeding outskirts (E01031617)**

Great Britain > South East > Horsham > E02006603 : Horsham 016 > E01031617

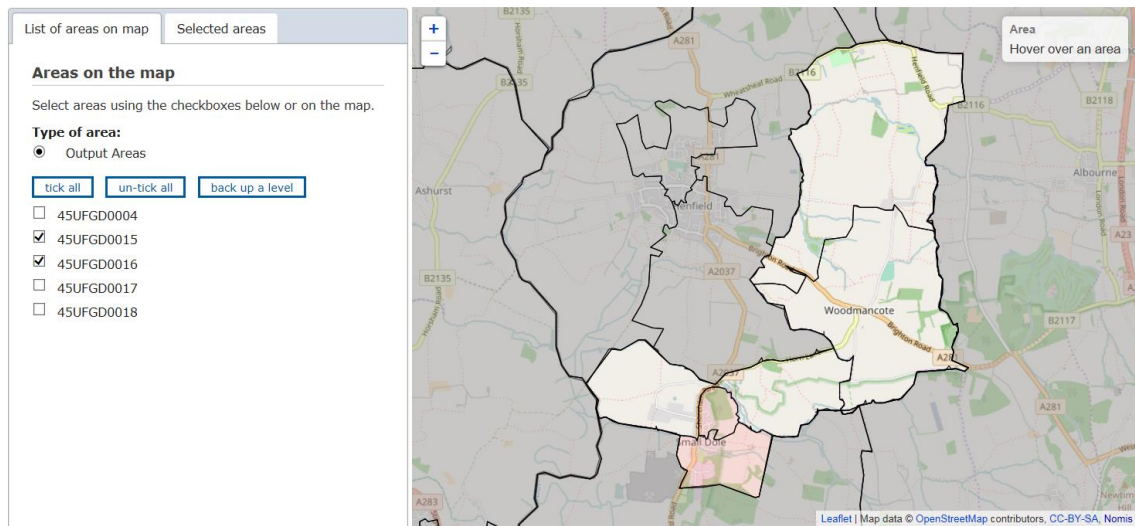


Source: <http://www.nomisweb.co.uk/>

33. However, these output areas do not cover the entire Neighbourhood Plan Area. As Figure 2 showing the NPA, on page 15, makes clear, part of the village of Small Dole to the North of the NPA is included within its boundary. Therefore, further geographies must be included for a proper comparison of 2001 Census Data, and 2011 Census Data for the entire geographical area of the Parish. To accommodate these, the following OAs pertaining to Small Dole were included when collecting the data, as shown in Figure X below: 45UFGD0015 and 45UFGD0016. As such, the final list of geographies for 2001 census data includes 1 LSOA, E01031616, and 7 OAs, combined.

**Figure 6: Additional 2001 Census Output Areas for Upper Beeding outskirts**

Great Britain > South East > Horsham > E02006601 : Horsham 014 > E01031618



Source: <http://www.nomisweb.co.uk/>

### 1.3 Local Planning context

34. In line with the Basic Conditions of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
35. The Horsham District Planning Framework (excluding South Downs National Park) , adopted in 2015, is the most up to date local plan for the area, and the emerging Horsham District Local Plan is at a sufficiently early stage of preparation, with no drafts published (Source: Horsham Local Development Scheme 2017) as to be disregarded for this exercise. It is projected to be published in 2020 (ibid.). The 2015 Framework replaced the Core Strategy and General Development Control Policies adopted in 2007.

#### 1.3.1 Horsham District Planning Framework 2015

36. The Horsham District Planning Framework 2015 sets out the planning strategy for the Horsham District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the plan area.
- 37. Policy 2 ‘Strategic Development’**, which sets out that the focus of development in the district will conform to the settlement hierarchy, in which Upper Beeding, together with Bramber, is identified as a small town/larger village, and be focused on Horsham. It supports development which protects the rural character and existing landscape, whilst providing for the varied housing needs of the community.
- 38. Policy 3 ‘Built Up Area Boundary’**, which sets out the mechanism of built-up area boundaries to support the planned expansion of existing settlements through the Local Plan and Neighbourhood Planning processes. Within this boundary, development is accepted in principal, whereas outside of it, development will be more strictly controlled. Emphasis is placed on the use of a Settlement Sustainability Review to ensure that development is of a scale that both retains the character and role of the settlement in terms of the range of services and facilities there as well as community cohesion.
- 39. Policy 9 ‘Key Employment Areas’**, which seeks to protect employment uses whilst enabling development by using a sequential approach to assessing applications within designated Key Employment Areas. It clarifies that proposals in such areas must not result in the overall loss of employment floorspace. Proposals outside of Key Employment Areas must demonstrate the premises are no longer needed and/or viable for employment use should floorspace of this kind be reduced.
- 40. Policy 15 ‘Housing Provision’** which establishes the need for 800 homes per year to be built, or 16,000 homes over the next 20 years, to meet the demand created by growth in the economy of the Gatwick Diamond economic area, and inward migration to Horsham as a result of its attractive quality of life and growing local economy. This target will be supported by: completions between 2011 and 2015, when the plan was adopted, homes already permitted or agreed for release, three strategic sites, the allocation of “1500 homes...through Neighbourhood Planning”, and 750 windfall units.
- 41. Policy 16 ‘Meeting Local Housing Needs,’** which seeks to achieve a mix of housing sizes, types and tenures to meet established local housing needs, subject to the existing character of neighbourhoods and individual scheme viability. It does so by requiring all residential developments of between 5 and 14 dwellings to provide 20% affordable, or a financial contribution where this is deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings. These provisions will also apply to sub-divided sites in a way which ensures the same amount of affordable housing is achieved as if they were not sub-divided. All of these policies will be subject to viability, as well as assurances that local housing needs as set out in the latest SHMA are met. The framework also notes that “the council will support schemes being brought forward through Neighbourhood Plans”.
- 42. Policy 17 ‘Exceptions Housing Schemes’**, which enables rural, greenfield sites near to settlement boundaries to come forward for development to meet local housing needs. This is considered acceptable where no suitable alternatives exist within the locality to meet the need, that the need is in a single parish or its immediately adjoining parishes within Horsham District, and that the needs relate to existing residents in unsuitable accommodation or needing separate accommodation in area (excluding existing owner occupiers), people whose work provides important services and who need to live in the parish, people who may no longer be resident in the parish but have longstanding links with the local community, and people with the offer of a job in the parish who cannot take up the offer because of a lack of affordable housing. A further condition is that the development must “provide subsidised housing in perpetuity which will normally be managed by a provider that is registered with the Homes and Community Agency.”
- 43. Policy 18 ‘Retirement Housing and Specialist Care’**, which states that “proposals for development which provide retirement housing and specialist care housing will be encourage and supported” where they are accessible from existing settlements and where they cater to those on lower incomes. Large-scale retirement

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communities will also be supported in appropriate locations, provided they accommodate a range of needs, include some affordable provision or an appropriate financial contribution, and contribute “appropriate services and facilities”.

- 44. Policy 19 ‘Park Homes and Residential Caravan Sites’**, which states that provision of park homes and caravans will be supported so long as they meet local housing needs and are marketed locally for a reasonable period of time, that they are used for permanent accommodation, and that flooding, drainage and ground engineering are not significant barriers to their development. Proposals to convert these to permanent housing or holiday accommodation will not be supported in the face of housing need, whilst conversion of existing holiday accommodation will have to meet the same criteria as new building of this type, and must not harm nearby occupiers and users amenity or damage the environment.
- 45. Policy 20 ‘Rural Workers Accommodation’**, which states that housing for rural workers to support the rural economy will be supported outside of the defined built-up area, provided that it is functionally required and its occupation supports the established business use, and that evidence is submitted to demonstrate the viability of the rural business for which the housing is required.
- 46. Strategic Policy 21 ‘Gypsy and Traveller Sites Allocations’**, which states “Provision shall be made for 39 net additional permanent residential pitches for Gypsies and Travellers within the period 2011 – 2017”, and that the council will make provision for Gypsy, Traveller and Travelling Showpeople (GTTS) over the rest of the plan period. It allocates 4 sites for this purpose, delivering a total of 29 pitches, and notes sites with existing planning permission for a further 13 pitches.
- 47. Policy 22 ‘Gypsy and Traveller Sites’**, which states that existing sites for GTTS will be safeguarded from development preventing their use for that purpose, unless they are no longer required to meet identified need. It notes that the provision of sites to meet that need beyond 2017 will be identified in a Site Allocations Development Plan Document, and that further sites may be provided: on windfall sites, by extending existing sites, by redeveloping existing sites, by allocating further sites within strategic developments sites or as standalone allocations, on publically owned land, both publically managed and for purchase by GTTS. The council also states that it will “work with neighbouring authorities to make appropriate provision to meet the requirements for Gypsies and Travellers.”
- 48. Strategic Policy 23 ‘Gypsy and Traveller Accommodation’**, which sets out the criteria for determining the allocation of land for GTTS and assessing planning applications for this purpose, namely: barriers to development such as flooding or ground engineering issues; safe and convenient vehicle and pedestrian access; proper utility servicing and size of site to accommodate amenities; location in or near existing settlements, or part of an allocated strategic location within reasonable distance of local services; and that the development does not have an unacceptable impact on the character and amenities of neighbours and is sensitively designed. Furthermore, it takes the view that “in assessing sites for Travelling Showpeople, or where mixed uses are proposed, the site and its surrounding context must be suitable for mixed residential and business uses, including storage required and/or land required for exercising animals”, and does not have adverse impacts on neighbours in the same way as above.

## 2 Approach

### 2.1 Research Questions

48. This section of the study poses a series of Research Questions, abbreviated to 'RQ;' these have been arrived at through discussion with the parish at the start of the project. They serve to direct our research and provide the structure for the HNA.

#### 2.1.1 Quantity

49. Horsham District Planning Framework (HDPF) sets a figure for dwellings to be delivered over the Plan Period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning.' The purpose of this HNA is to identify Upper Beeding's 'fair share' of the Local Authority housing figure. *RQ1*.
50. *RQ1. What quantity of housing is appropriate for the plan area?*

#### 2.1.2 Tenure

51. UBPC recognise a need for affordable housing in the area; the study should therefore consider the suitability of Local Plan policy as regards affordable housing for the NPA, and the tenures of affordable housing needed to meet housing need.
52. *RQ2. What tenure of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?*
53. *RQ3. What tenure of market housing (private rented and housing for sale) should be included in the housing mix?*

#### 2.1.3 Type and Size

54. There is a concern within UBPC of a shortage of dwellings suitable for young people, and the Parish notes the growth of young professional people moving to the area. Likewise, there is a need among older people to downsize.
55. *RQ4. What type and size of dwellings are suited to:*
- **older people** (in particular those living alone in large houses and those suffering from dementia)
  - **first time buyers** (in particular the children of current residents and young professionals)

#### 2.1.4 The Housing Market Area

56. Before answering these research questions, it is necessary to describe the sources from which we draw our evidence. The PPG states that plan-makers can refer to existing secondary data to inform their assessment of housing need<sup>7</sup>; such sources include relevant reports commissioned by the local planning authority. In the case of Upper Beeding HNA, we refer to a number of documents (the 'SHMA studies') which together provide the evidence base for the housing policies contained in the current adopted Local Plan, the Horsham District Planning Framework (HDPF). These documents are listed below:

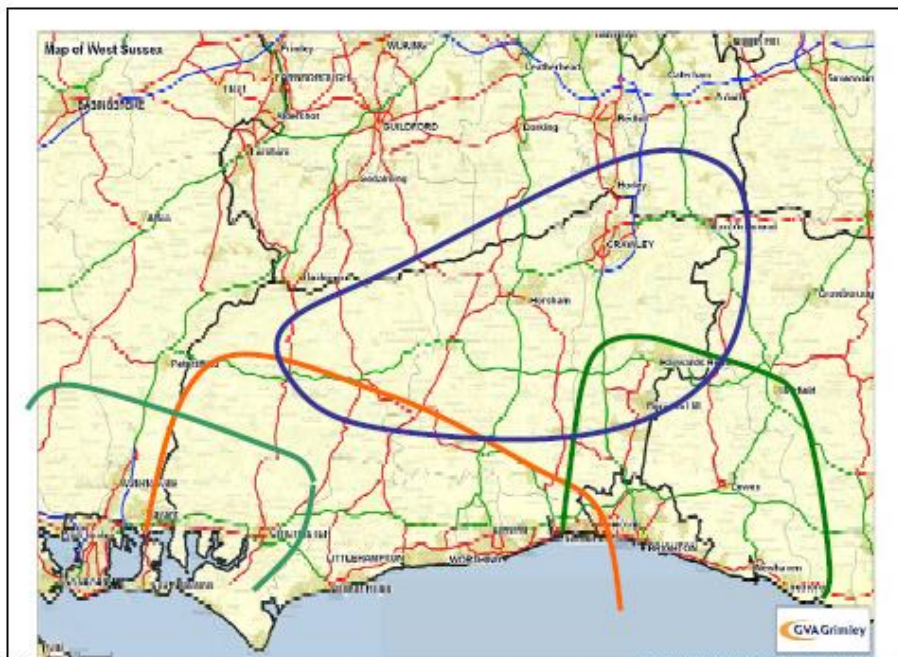
- Northern West Sussex Strategic Housing Market Assessment, May 2009 (SHMA09)
- Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012 (SHMAU12)
- Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update (AHNMU14)
- Housing Need for Horsham District, 2015 (HNHD15)

<sup>7</sup> PPG Paragraph: 014 Reference ID: 2a-014-20140306

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57. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA) that the SHMA studies treat as their subject area can be used as a proxy for the NPA., This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are shared with it. Shared characteristics do not arise by chance, but emerge as a result of internal linkages fundamental to the notion of the 'housing market area' (HMA).
58. PPG defines an HMA as 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.'<sup>8</sup> It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types or economic development have the same appeal to different occupants.'<sup>9</sup>
59. PPG therefore sets two principle tests for identifying a functional HMA: patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment,' the degree to which household moves are contained within a certain geographical area, and the second by 'travel to work areas.' The SHMA09 notes that it is generally assumed that around 70% of household moves will be contained within a functional HMA<sup>10</sup>.
60. SHMA09 uses these tests to identify of housing markets at the district level. Two main markets emerge in West Sussex; these are illustrated in Figure 4 below (which reproduces SHMA09 Figure 2.26). One, labelled the Northern West Sussex Sub-Regional Housing Market, extends south to Haywards Heath and Burgess Hill, to East Grinstead, Horley and west/south west to Upper Beeding, Petworth and Pulborough. The other is the coastal urban area extending to Chichester in the west and Worthing and Lancing to the east. The latter denotes very strong linkages between the various settlements along the coast.

**Figure 7: Defining Housing Market Areas and Areas of Market Overlap**



**Source: GVA Grimley/SHMA09**

61. Upper Beeding is located on the southernmost edge of Horsham District, roughly 7km from Shoreham by Sea on the coast. The data set out in the SHMA09 as regards migration patterns is inconclusive as regards which of the two HMAs the settlement naturally falls into; in Figure 8 below, we reproduce SHMA09 Figure 2.9 showing Migration Flows between Wards between 2000-1. This suggests weak connections between the southern rural settlements in Horsham District and the coastal towns of Worthing and Brighton. However, we know that Shoreham by Sea is the closest rail link to Upper

<sup>8</sup> Planning Practice Guidance Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

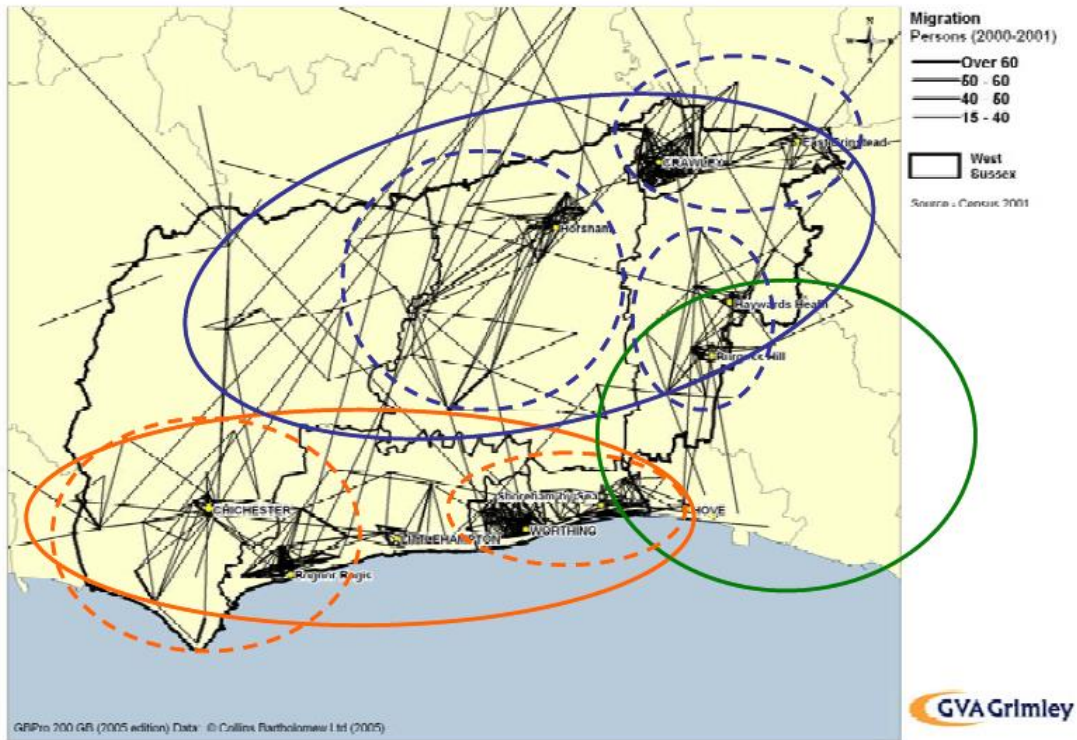
<sup>9</sup> Planning Practice Guidance Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014

<sup>10</sup> SHMA09, page 16

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Beeding, so this finding is open to challenge and may be explained by relatively small population sizes, resulting in total movement numbers not meeting the minimum thresholds set out in Figure 5.

**Figure 8: Migration Flows between Wards, 2000-1**



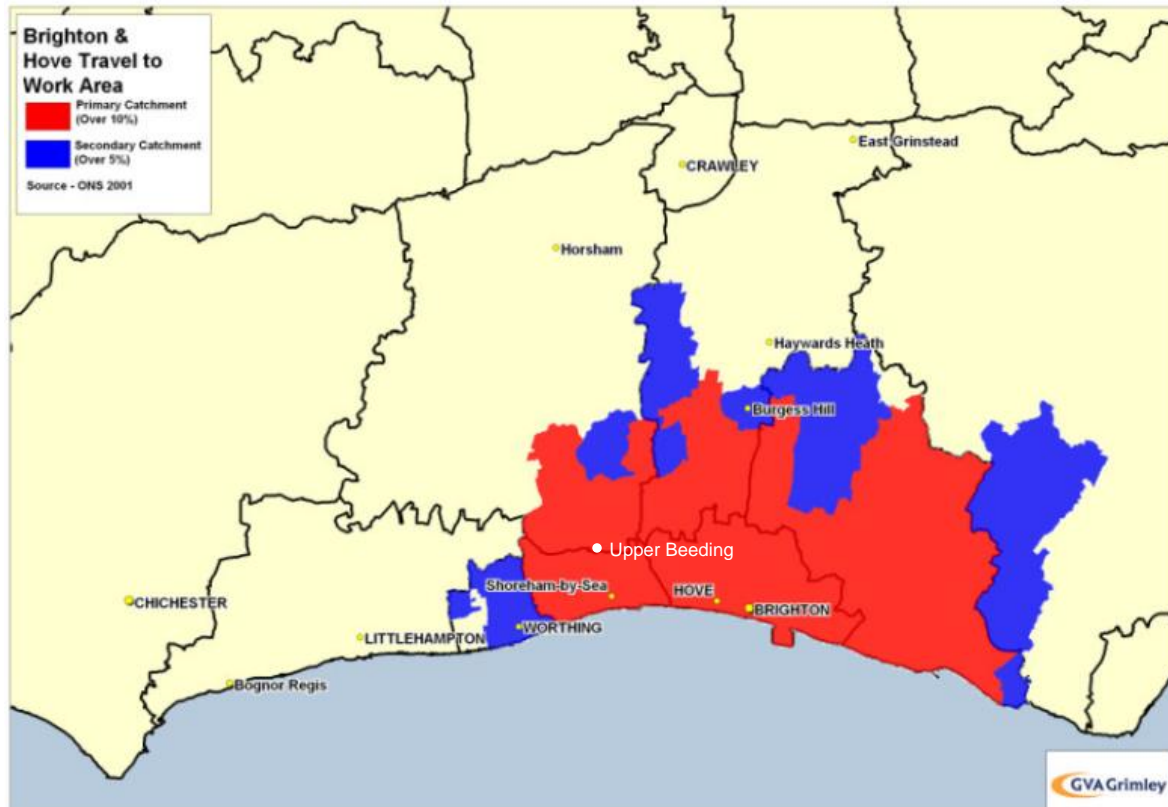
**Source: GVA Grimley/SHMA09**

62. TTWA data is however more informative. Using 5% and 10% travel to work thresholds to denote secondary and primary 'areas of influence' respectively, the SHMA09 identifies a number of economic centres. Below, as Figure 9 we reproduce Figure 2.14 from SHMA09; this shows Brighton and Hove TTW Catchment Area. Upper Beeding falls decisively into Brighton's primary TTWA.

63. This denotes that trends within the housing market in Brighton will, to some degree, have an impact on those in Upper Beeding. Indeed, a study produced by UBPC states as follows, 'with the Brighton postcode being attractive to house seekers coming from Brighton and London, the cost of housing has risen to levels that make it increasingly difficult for young people and especially families to set up home independently and remain in the Parish.'<sup>11</sup>

<sup>11</sup> Housing and Development Focus Team Document (July 2016) page 2

Figure 9: Brighton and Hove TTW Catchment Area



Source: GVA Grimley/SHMA09

64. It is however important not to overstate the disconnection between Upper Beeding and the wider Horsham area. Census data suggests shared demographic characteristics with the district, indicating that SHMA findings related, for example, to affordability and need for dwellings of different types and sizes within the Northern West Sussex Sub-Regional Housing Market remain relevant to the NPA.
65. In addition, the SHMA09 is helpful in identifying differences between different parts of the HMA, describing areas to the west of the A23/M23 corridor (which includes Upper Beeding) as being 'rural in nature, with attractive smaller settlements offering high quality of place and a housing offer focused more towards larger properties with strong demand. Commuting patterns are more dispersed, with a mix of people working locally, commuting to the larger economic centres'. This provides a reasonable picture of Upper Beeding, and demonstrates SHMA09 seeks to draw out the characteristics of the individual sub-markets.
66. Finally, given the age of the SHMA09, it is reasonable to ask whether its data remains true in 2017, or whether there have been changes in the economic geography to precipitate a shift in the HMA's boundaries. Later updates to SHMA09 (the other SHMA studies) suggest this is not the case and that, 'the defining characteristics of the HMA and its interactions/overlaps with surrounding areas previously identified will not have fundamentally altered such that the primary focus of the HMA should be considered as out-dated.'<sup>12</sup>
67. Given Upper Beeding's location in an area relatively remote from the centre of the HMA, a particular emphasis on this study is placed on data gathered locally; this includes
- the results of a household survey undertaken by UBPC, the results of which are brought together in the Housing and Development Focus Team Document, July 2016
  - a housing needs report prepared by Action in rural Sussex (AirS) in November 2014, Housing Needs Survey Report, Upper Beeding Parish (HNSR)
  - Census data from 2001 and 2011 related to the Parish.

<sup>12</sup> AHNMU14, page 16



**DRAFT****2.2 RQ1. What quantity of housing is appropriate for the Neighbourhood Plan Area?**

68. We have estimated the quantity of housing needed in NPA derived from four different sources; these are,
1. Horsham District Planning Framework 'settlement hierarchy' minimum derived figure (HDPF) 2011-31 generates a projection of **69 dwellings over the plan period or 3 dwellings per annum (rounded)**;
  2. Horsham District Planning Framework 'district' minimum derived figure (HDPF) 2011-31 generates a projection of **446 dwellings over the plan period or 32 homes per year (rounded)**;
  3. Housing Need in Horsham 2015 (SHMA) - proportional share drawn from OAN produces a final target of **351 dwellings over the plan period, or 25 per year (rounded)**;
  4. DCLG Household projections generate a re-based projection of dwellings of **366, or 26 dwellings (rounded) over the plan period; and**
  5. A projection derived from homes growth between 2001 and 2016 of **64 homes over the plan period of 2017-2031**.

These calculations are set out below.

**2.2.1 Horsham District Planning Framework (HDPF) 2015****2.2.1.1 Settlement Hierarchy minimum**

69. To calculate the 'fair share' of the 1,500 dwellings that HDC expects to be delivered 'throughout the district in accordance with the settlement hierarchy'<sup>13</sup> we have calculated the number of dwellings in the settlement as a proportion of all the settlements that come under the three different categories of 'small towns and larger villages, medium villages and smaller villages' (the 3 categories) set out in Policy 3.<sup>14</sup>
70. It is important to note we have excluded the 'Main town' of Horsham from this calculation as it does not form one neighbourhood planning area. In addition, it is not anticipated that dwellings will come forward through neighbourhood planning due to the strategic nature of development in and around Horsham town. This should therefore be excluded from the 1,500 dwellings sought through section 4 of Policy 15.
71. The total number of dwellings in the three categories comes to 21,517 dwellings. This figure has been arrived at by accessing Census 2011 data relating to specific Middle and Lower Super Output Areas (M/LSOAs) and Output Areas (OAs) that focus on the spatial arrangement of each town and village (as opposed to the wider parish in which they sit). This is based on a reading of Policy 3 which specifically suggests that development will only be permitted within the defined built-up areas.
72. In 2011, there were 1249 dwellings in the built-up area of Upper Beeding<sup>15</sup>; this equates to 5.8% of all the dwellings in the 3 categories. On this basis we can calculate that the settlement's fair share of the 1,500 figure is 87 dwellings (rounded) to be delivered over the Plan Period.
73. In arriving at a final total for UBPC, it is important to take into consideration that, according to data provided by the Local Authority, 18 net new dwellings were built between 2011 and 2016 in the NPA. Allowing for these completed dwellings, a housing target for Upper Beeding that is in conformity with emerging district policy, taking as its starting point the settlement hierarchy minimum, is therefore 69 dwellings.

**2.2.1.2 District minimum**

74. As we have seen, Policy 15 of the HDPF puts forward a housing requirement for 'at least 16,000' for the district over the Plan Period between 2011 and 2031. The proportional share may be calculated for Upper Beeding Parish based on the proportion of homes within the district that fall into the NPA. At the

<sup>13</sup> HDPF, page 56

<sup>14</sup> HDPF, page 25

<sup>15</sup> Census 2011

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time of the last Census there were 1,627 dwellings in the NPA and 56,516; this represents 2.9% (rounded) of all homes in the district. Therefore, 464 homes (2.9% of 16,000) homes should be allocated as the 'fair share' of the District target.

75. In arriving at a final total for UBPC, as with the settlement hierarchy calculation, it is important to take into consideration that, according to data provided by the Local Authority, 18 net new dwellings were built between 2011 and 2016 in the NPA. Allowing for these completed dwellings, a housing target for Upper Beeding that is in conformity with emerging district policy is therefore 446 dwellings (464 - 18) between 2017 and 2031 or 32 homes per year (rounded)

### 2.2.2 Strategic Housing Market Assessment (SHMA) 2009

76. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN<sup>16</sup>), as opposed to a final housing target. The final housing target will take into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.
77. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the NP level, because it is an authoritative source of evidence, and importantly, because it takes into account population and household projections, as set out in the 2012 Sub-National Population Projections (SNPP). SNPP provide the basis for Household Projections which the PPG suggests should be taken as a 'starting point' in determining need at the local authority level.
78. The HHND15 identifies an OAN for Horsham District over the period 2011 - 31 of 12,720 homes.<sup>17</sup> This number has been selected from a number of options on the basis of the support it provides to employment growth of 275 jobs per annum as recommended by the Inspector following the examination of the HDC's Planning Framework. It includes upwards adjustments to household formation rates relative to trends, producing an increase in housing supply (of both market and affordable housing). This reflects a policy aim of improving affordability, thus enabling a growing number of younger households in their 20s and 30s to form.
79. To calculate the NPA's 'fair share' of this target, it is again possible to use Upper Beeding's proportion of all housing in the borough (2.9%). This produces a figure of 369 dwellings (rounded). Furthermore, it is necessary to take into consideration homes built in the NPA in recent years; since 2011, as set out above, 18 dwellings have been built; producing a final target of **351 dwellings over the plan period, or 25 per year** (rounded).

### 2.2.3 DCLG Household Projections

80. The Department for Communities and Local Government (DCLG) periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.
81. The most recent (2014-based) household projections were published in July 2016, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NPA is nevertheless possible for the household projections based on the NPA's household numbers in the 2011 Census.
82. At the 2011 Census, Horsham had 54,923 households and the NPA 1,576, or 2.9% of the total (rounded).
83. In the 2014-based household projections, the projection for 2031 is for 66,854 households in Horsham. Assuming it continues to form 2.9% of the district total, the NPA's new total number of households would be 1,939 (rounded); therefore 363 new households will form in the NPA between 2011 and 2031 (or a rate of growth of 33 households per year).

<sup>16</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

<sup>17</sup> GL Hearn, Housing Need in Horsham District, March 2015, page 49

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84. Number of households does not, however, equate precisely to number of homes, with the latter slightly higher in most places. The NPA is no exception; in the 2011 Census, there were 1,576 households but 1,627 homes. This gives a ratio of 0.97 households per home. In the case of NPA, then, a projection of 363 new households translates into a need for 374 (760/.97) homes (rounded to the nearest whole number).
85. These figures are based on the assumption that 2014-based government projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2015, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2015 population estimates give the actual number of people in the NPA at that point, meaning the difference between the estimated and the previously projected number of households can be taken into account in future projections.
86. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2015 there would be 134,990 people in Horsham. The mid-2015 Estimates show that based on the latest information there were estimated to be 135,868 people, which is higher than the projections by 878 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.4 people per household (rounded), obtained by dividing population by number of households) this equates to 366 more households across Horsham.
87. Taking 67,220 (66,854 + 366) as our revised household number at 2031, this equates to 1,949 households in the NPA (rounded), producing a revised growth in the number of households between 2011 and 2031 of 373. Taking into account the disparity between household numbers and dwelling numbers (373/.97), this produces figure of 384 homes. Netting off the 18 dwellings completed since 2011, we arrive at a re-based household projections-derived dwellings of **366, or 26 dwellings (rounded) per year over the plan period.**
88. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced, or may in future influence, the Local Plan distribution across the District and hence any difference between this figure and a future Local Plan-derived figure.

#### 2.2.4 Home growth 2001-2011

89. Consideration of home growth 2001-2011 provides a projection based on the rate of delivery of net new homes between the two censuses. As we have seen, there was an increase of 51 homes in the NPA between these two dates, or an average annual rate of increase of 5 homes (rounded). Multiplying this annual figure by the number of years remaining of the plan period from 2016 **produces a projection of gross need for 71 homes.**

#### 2.2.5 Home growth since 2011

90. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. As we have seen, between 1st April 2011 and the 31<sup>st</sup> March 2016, 18 net new dwellings were completed. This equates to an annual rate of delivery of 3.6 homes (18 divided by 5, the number of years elapsed). If this rate of delivery was continued to 2031, this would equate to **a projection of 50 homes over the plan period of 2017-2031** (3.6 x 14, rounded to the nearest whole number).
91. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development could be delivered over the plan period, we have taken the aggregate of the homes growth between 2001 and 2016; this comes to 69 (51 + 18) dwellings. Expressed as an annual average rate, this is 4.6 dwellings /year. This produces **projection derived from homes growth between 2001 and 2016 of 64 homes over the plan period of 2017-2031** (4.6 x 14).

**DRAFT****2.2.6. South Downs National Park**

92. Proportion of new dwellings in the South Downs National Park that may reasonably be apportioned to Upper Beeding Parish. This advice note is provided for guidance only, and has not been incorporated into the overall housing target for the parish set out paragraph 68.
93. To calculate the number of new dwellings that Upper Beeding should deliver to take on its fair share of housing required in future years within the South Downs National Park (SDNP), we start with the number of dwellings currently in the park. Using data derived from Census, SDNP authority has provided advice there were 50,049 dwellings in 2011<sup>18</sup>.
94. The Strategic Housing Market Assessment (SHMA) published in 2015 for the SDNP, put forward an OAN for housing in the SDNP of 420 homes per year<sup>19</sup>, based on the blended approach to modelling household formation rates.<sup>20</sup>
95. The SDNP authority is currently in the process of producing a new Local Plan with a proposed Plan Period of 2014 -32<sup>21</sup>; the OAN therefore amounts to 7,560 dwellings over this period (we note this contrasts with the 'policy on' number of 4,596 that appears in the current draft of the emerging Local Plan.<sup>22</sup>)
96. In order to arrive at an estimate of the number of dwellings Upper Beeding should take on, we take the number of existing dwellings in that part of the parish that falls into the park. This comes to 138; the methodology we have used to arrive at this number is described below.
97. AECOM has identified an Output Area (E00161241) that may be used as a suitable proxy for that part of the parish that falls into the SDNP. It is important to note this area does not match the area exactly; to add the Output Areas to the north would however add additional dwellings in Small Dole, and these fall outside the SDNP area. The extra area to the west is a mining site and therefore is unlikely to contain any dwellings.
98. Using Census 2011 as a source, AECOM has arrived at an estimate of the dwellings falling into the SDNP section of the Parish. The figure of 138 dwellings represents 0.276% of all dwellings in the SDNP. Two forecasts may therefore be made,
1. A projection derived from the OAN set out in the SHMA, a fair share is 21 dwellings (rounded)
  2. A projection derived from the SDNP Authority's Local Plan figure 13 dwellings (rounded)
99. It would be reasonable to conclude UBPC should support the delivery of **between 13 and 21 dwellings in the SDNP section of the NPA over the plan period to 2032**<sup>23</sup>
100. We note the Plan Period for the neighbourhood plan only extends to 2031; to allow for this, 1 dwelling may be deducted from the final target agreed with the relevant authority.
101. The SDNP SHMA makes the following caveat: 'it should be borne in mind that development potential in the SDNP is restricted, and the policy focus is on conserving the SDNP landscape; and meeting local need for affordable housing. Thus whilst the projections indicate what level of housing provision might be

<sup>18</sup> Email from Chris Paterson Communities Lead, South Downs National Park Authority, dated 11/09/17

<sup>19</sup> SDNP comments 18/10/17 'the basis of the calculations may be updated in light of the Pre-submission South Downs Local Plan published in September and the Housing & Economic Development Needs Assessment (2017) which supersedes the SHMA (2015). These documents provide the following figures: SDNPA overall target of 4,750 net additional homes (South Downs Local Plan – pre-submission version) Objectively Assessment Need of 447 dwellings per annum (HEDNA 2017) Following AECOM's methodology and the updated figures above gives a projected range of 13-23 dwellings in the SDNP area of Upper Beeding neighbourhood area over the plan period to 2033. As the Upper Beeding Neighbourhood Plan extends to 2031 – 2 dwellings can be deducted from this range.' (Amy Tyler-Jones Planning Policy Officer – Neighbourhood Planning - South Downs National Park Authority)

<sup>20</sup> Strategic Housing Market Assessment South Downs National Park Authority Final Report September 2015, pp 187

<sup>21</sup> Local Plan, page 132

<sup>22</sup> Local Plan, page 132

<sup>23</sup> SDNP comments 18/10/17 - 'The range calculated provides guidance only and we would not support the range becoming a de-facto target for the National Park area of the Parish. Local housing need within Upper Beeding should in the first instance be met within the existing settlement and failing that adjacent to the settlement as this is the most sustainable location for development.' (Amy Tyler-Jones Planning Policy Officer – Neighbourhood Planning - South Downs National Park Authority)

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needed in the absence of development constraints, it may well be the case that housing provision falls below the projected level of need.<sup>24</sup> The same caveat should apply in the Upper Beeding area.

## 2.3 RQ2. What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?

102. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NPA's housing stock.<sup>25</sup>

### 2.3.1 Definitional issues

103. It is necessary at this stage of the study to make clear the distinction between affordable homes as a piece of planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
104. In this paragraph we briefly review the proposed reforms to the definition of AH set out in the Government's Housing White Paper published in February 2017. These reforms make clear its commitment to home ownership but recognised the important role of affordable rent for those not currently seeking home ownership. The changes proposed would broaden the definition of affordable housing, supporting 'present and future innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing'. This would include 'products that are analogous to low cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to 'in perpetuity' restrictions or have recycled subsidy'.
105. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as 'new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market'<sup>26</sup>. Secondary legislation is required to implement this definition, necessitating further parliamentary debate<sup>27</sup>.
106. The Housing White Paper<sup>28</sup> confirms that a revised definition of AH will be brought forward through changes to the NPPF later this year, proposing a definition as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership' and which 'meets the criteria' for one of the following models<sup>29</sup>:
- **Social rented housing**, defined as currently and owned by local authorities and private registered providers with guideline target rents determined through the national rent regime. It may be owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority or Homes and Communities Agency;
  - **Affordable rented housing**, defined as currently and let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
  - **Starter Homes**, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with an income restriction of £80,000 outside London. These homes are expected to

<sup>24</sup> Strategic Housing Market Assessment South Downs National Park Authority Final Report September 2015, pp 187

<sup>25</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

<sup>26</sup> Housing and Planning Act 2016, part 6, section 159 (4)

<sup>27</sup> Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'

<sup>28</sup> DCLG (2017) Fixing our Broken Housing Market (para A.120)

<sup>29</sup> Ibid (p100)

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provide a new low cost market housing product for first time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;

- **Discounted market sales housing**, sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is to be determined with regard to local incomes and house prices;
- **Affordable private rent housing**, made available for rent at a level which is at least 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative affordable housing provision is made if the discount is withdrawn. This is viewed as particularly suited to the provision of affordable housing in Build to Rent schemes; and
- **Intermediate housing**, defined to include discounted market sales and affordable private rent housing – as outlined above – and other housing that is ‘provided for sale and rent at a cost above social rent, but below market levels’.

107. A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.
108. The evidence assembled to answer RQ2 seeks to populate a series of ‘key indicators’; these are the age structure of the population, household composition and income both now and how they are forecast to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how not only the tenure of housing in the plan area, but also type and size, should be modified through planning policy.

### 2.3.2 Current tenure profile

109. In line with PPG, it is necessary in the first instance to present a picture of tenure in the NPA at the moment. Table 3 below presents the tenure of households in the NPA at the time of the last Census. Two findings are worth highlighting, firstly, the dominance of owner occupation and the relatively low proportion of socially rented homes.

**Table 3: Tenure (households) in Upper Beeding, 2011**

Tenure	Upper Beeding	Horsham	England
Owned; total	78.3%	74.5%	63.3%
Shared ownership	0.3%	0.7%	0.8%
Social rented; total	8.0%	11.6%	17.7%
Private rented; total	12.4%	11.8%	16.8%

Source: Census 2011, AECOM Calculations

110. Table 4 below provides a longitudinal assessment of tenure in the NPA recorded in Census data from 2001 and 2011; this allows consideration of any changes that have taken place. This shows there has been a substantial uplift in privately rented dwellings (increasing from 90 in 2001 to 196 homes in 2011). The percentage increase in shared ownership is somewhat misleading, however, as there were only 4 dwellings within this tenure in 2011.

**Table 4: Rates of tenure change in Upper Beeding, 2001-2011**

Tenure	Upper Beeding	Horsham	England
Owned; total	-5.3%	4.2%	-0.6%
Shared ownership	33.3%	34.9%	30.0%
Social rented; total	7.7%	13.0%	-0.9%
Private rented; total	117.8%	97.6%	82.4%

Source: Census 2001 and 2011, AECOM Calculations

**DRAFT****2.3.3 Affordability**

111. To understand need for AH in the NPA it is necessary to identify that proportion of the population who are unable to access AMH without subsidy. To do this, we consider two primary indicators, firstly affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'; secondly 'Income Thresholds.' The latter denotes the maximum share of a family's income that should be spent on accommodation costs if enough resources are to remain to cover other needs, as well as discretionary spending.
112. The Income Threshold enables us to identify that proportion of the population able to afford dwellings at different price points based on an assumed proportion of household income devoted to housing costs.
113. Thirdly, we review Housing Waiting List data provided by the LPA to understand the demand for AH based on actual enquiries lodged with the LPA.
114. Before reviewing this evidence however, it is important to consider evidence relevant to housing need that has already been compiled UBPC; this includes an authoritative study produced by AirS in late 2014, entitled the Housing Needs Survey Report (HNSR).
115. AirS's research consisted of a household survey that gathered views of residents about housing development and statistical data to quantify the amount of affordable housing required to satisfy the needs of the current resident population over a 2 – 5 year time horizon.
116. Their findings show there are 31 households in Upper Beeding in housing need who have a local connection and who cannot afford to either purchase or rent on the open market.<sup>30</sup> 376 households took part in the study, or 23.8% of the total. This is an acceptable sample size for a study of this type. Based on this data, HNSR identifies a household need for AH of 8.2% of resident households (31/376\*100).
117. Below we reproduce Table 16 from this study; this provides a break-down of household types in need. It is apparent from this that the majority are solo households, among whom are many younger people seeking to set out an independent home.

**Table 5: Breakdown of households in need**

Household type	Number of respondents	Timeframe for move			
		< 2 years	2-5 years	5+ years	Unspecified
A single adult	21 (67.7%)	6	10	4	1
A single older person (over 65)	0 (0.0%)	0	0	0	0
An adult couple (18-64)	3 (9.7%)	1	2	0	0
An older couple (Over 65)	0 (0.0%)	0	0	0	0
A family with children	7 (22.6%)	5	1	0	1
<b>TOTAL</b>	<b>31</b>	<b>12</b>	<b>13</b>	<b>4</b>	<b>2</b>

**Source: AirS**

118. It is worth comparing this with 'concealed households' data from Census, presented in Table 6 below. These are households living in the same dwelling as a 'host' household who would prefer to occupy their own home, but cannot do so for reasons of affordability. This, combined with data from HNDS, suggests a small but steady flow (reflecting a natural rate of household formation within the Parish) of households requiring AH in order to leave the family home to start an independent life.

**Table 6: Concealed families in Upper Beeding and Horsham, 2011**

Concealed families	Upper Beeding	Horsham
All families: total	1,136	38,935
Concealed families: total	16	451
Unconcealed	1,120	38,484

**Source: Census 2011, AECOM Calculations**<sup>30</sup> HNSR, page 30

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119. Furthermore, HNSR presents research identifying entry level property values and, employing a multiple of 3.5 household income, arrives at an estimate of the necessary income to afford dwellings at these price points. In Table X below we reproduce HNSR Table 4 that sets out this data.

**Table 7: Lowest current property prices (2014)**

Property Type	Location	Lowest Price	Gross Income Required
1 bed studio flat	Upper Beeding	£112,500	£29,928
2 bed semi-detached house	Upper Beeding	£242,000	£62,228
2 bed terraced house	Upper Beeding	£280,000	£72,000
3 bed detached bungalow	Upper Beeding	£300,000	£77,142
3 bed semi-detached house	Upper Beeding	£325,000	£83,571
4 bed detached house	Upper Beeding	£435,000	£111,857

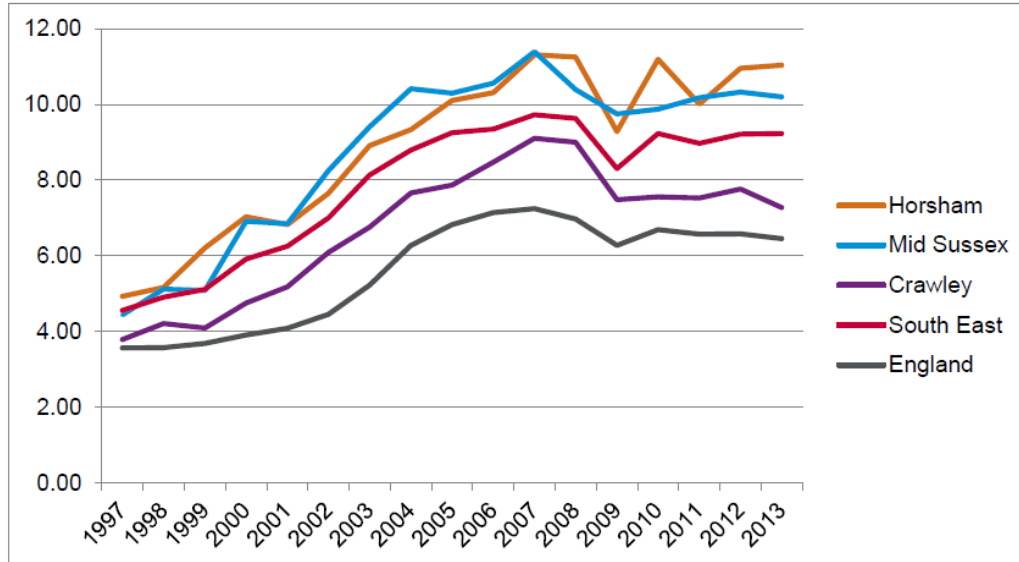
Source: [rightmove.co.uk](http://rightmove.co.uk)

120. HNSR does not present data on household incomes; it is therefore not possible from this study to understand what proportions of the population are able to afford dwellings at these different price points. The data presented in the section below titled 'Income Thresholds' drawn from the SHMA studies provide some assistance, although these show the picture at the Housing Market Area (HMA) level. We pick up the thread of our investigation as to the proportion of the population who can afford AHM at that point.

**2.3.4 Affordability Ratio**

121. In figure 10 below we reproduce below HNHD15 Figure 18 which shows fluctuations at the HMA level in the Lower Quartile Affordability Ratio (LQAR) between 1997 and 2013; this assesses specifically the degree to which people on modest incomes (lower quartile earnings) are able to access Affordable Market Housing (AMH). This illustrates how house-prices have outstripped household incomes over the period.

**Figure 10: Lower Quartile Affordability Trend (1997-2013)**



Source: [CLG Housing Market Live Tables](#)

122. In table 8 below we re-produce HNHD15 Figure 19 which compares the LQAR with an Affordability Ratio based on median incomes. This indicates that those at the lower end of the income scale are less able to access relatively affordable market homes than those on higher incomes are able to access more expensive dwellings, leading to the conclusion that, while there is a crisis of affordability across the market, this is particularly acute at the low end of the income spectrum.



**DRAFT****Table 8: Comparison of lower quartile and median affordability**

	Lower Quartile Ratio	Median Ratio
Horsham	11.04	10.89
Mid Sussex	10.20	9.76
Crawley	7.28	6.22
West Sussex	8.88	8.72
South East	9.20	8.75
England	6.45	6.72

Source: CLG Housing Market Live Tables

### 2.3.5 Income thresholds

123. Income Threshold data is provided by the AHNMU14; below, we re-produce Table 11 from this document that shows thresholds for lower quartile dwellings for both rent and purchase. These are based, in the case of rental accommodation, on an assumption that 25% of annual household income is spent on housing costs. In the case of purchase, (showing a similar methodology to the HNDS study cited earlier in this report) the threshold is calculated by discounting the lower quartile house price by 10% to reflect the purchase deposit; the resulting price is then divided by 3 to reflect the standard household income required to access mortgage products.<sup>31</sup>

**Table 9: Entry-level Housing Costs and Income Thresholds, 2014**

	LQ House Prices	LQ Monthly Housing Costs		Monthly Rent as % of Purchase Cost	Income Threshold (Annual)	
	Purchase	Purchase	Rent		Purchase	Rent
Crawley	£134,740	£667	£700	105%	£40,422	£33,600
Horsham	£174,249	£863	£700	81%	£52,275	£33,600
Mid Sussex	£168,432	£834	£695	83%	£50,530	£33,360

Source: TPDL, VOA and CCL Calculation

124. In Table 10 below we reproduce Table 12 from the same document; this shows average household incomes within the Northern West Sussex HMA, and provides a good illustration of affordability issues across the area. By comparing the Income Threshold data in Table 8 with the median income data in Table 7 it is possible to see that fewer than 50% of all households can afford AMH without subsidy, i.e., if £52,275 is required to purchase a dwelling priced in the lower quartile, clearly households on a median income of £38,831 would be unable to afford it.
125. Relating this back to house prices presented in the HNSR study, assuming a 2 bed semi-detached house is an entry-level property, the gross income required of £62,228 is clearly well in excess of what most households can afford. It is worth noting the average dwelling price is greater in Upper Beeding than in the district generally, exacerbating affordability issues. This is consistent with the notion of the rural areas in the HMA experiencing stronger demand.

**Table 10: Average Household Incomes, Northern West Sussex HMA**

	Mean Average	Median Average	Mode Income Band Average
Crawley	£38,299	£31,111	£10,000 – 15,000
Horsham	£46,915	£38,831	£10,000 – 15,000
Mid Sussex	£47,472	£39,450	£15,000 – 20,000

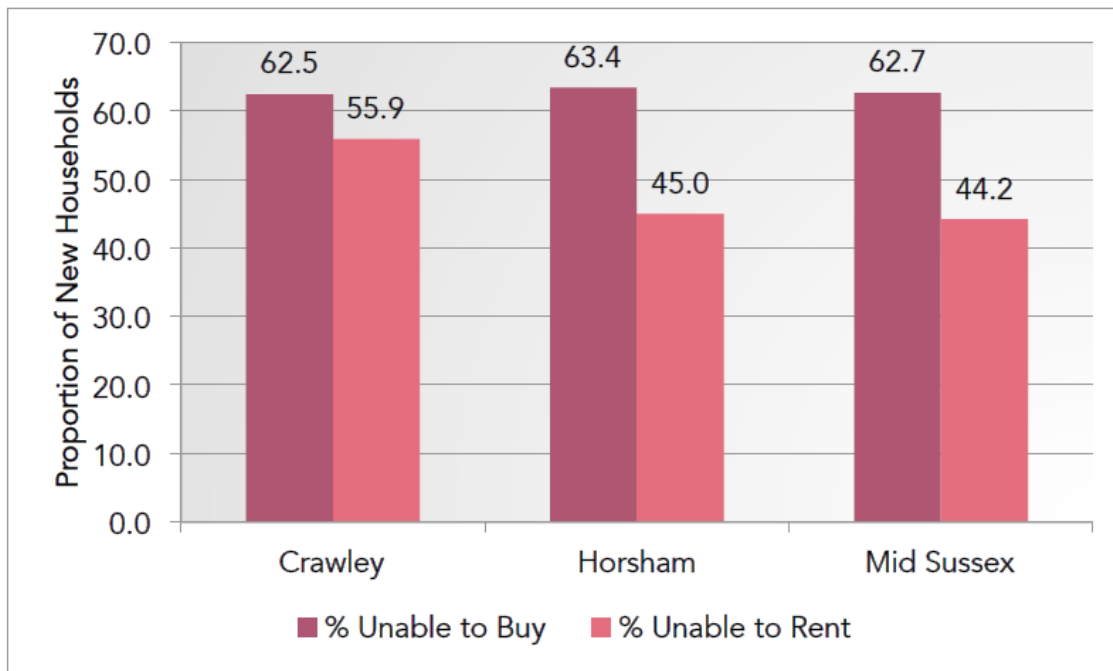
Source: CACI Paycheck Household Incomes Data, July 2014

<sup>31</sup> AHNMU14, page 63

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126. Figure 19 from the same document, reproduced below as Figure 11 provides the proportions of those able and unable to buy and rent market dwellings.

**Figure 11: Proportion of Households unable to buy or rent, Crawley, Horsham and Mid Sussex**



Source: CACI Paycheck Household Incomes, July 2014 & CCL Calculation

127. It is reasonable to assume a similar scenario exists to that which has been observed at the HMA in Upper Beeding. This leads to the conclusion that, if 8.2% of households are eligible for AH in the Parish (using HNSR data), and, assuming that proportion of the population unable to buy in Upper Beeding is at least the 63.4% for the district shown in Table x, then at least 55% of households in the Parish will be reliant on private rented dwellings or some form of emerging 'intermediate' housing product.

### 2.3.6 Housing waiting list data

128. So far, we have considered housing need based on a statistical understanding of affordability derived from household income. A necessary additional component to quantify need for AH in the NPA is identifiable demand expressed through entries on a housing needs register. In the absence of such a register that is specific to the NPA, the data contained in the Housing Register Waiting List (HRWL) for the whole district maintained by HDC may be used.
129. We contacted HDC for their assessment of the number of households currently on the waiting list that live in Upper Beeding. They reported back that, of the 671 households currently on the register, there are currently 95 applicants on the housing waiting list that have an expressed an interest in living in the Parish<sup>32</sup>.
130. However, many of the applicants have expressed interest in other areas of the district as well as Upper Beeding. Unfortunately, the housing team are unable to provide information on how many of these applicants currently live in the Parish. Nevertheless, it is still worth checking the proportion of all projected housing need this represents to provide an indication of whether the LPA's affordable policies will be sufficient to meet need.
131. The average of the housing needs projections for the NPA derived from the four projections put forward in 'quantity' is 295 dwellings (rounded) to be delivered over the Plan Period; the figure of 95 dwellings represents 32% of this number. As we have seen, policy 16 of the Horsham District Planning Framework requires that all residential developments of between 5 and 14 dwellings to provide 20% affordable units, or a financial contribution where this is deemed is not deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings.

<sup>32</sup> Horsham District Council, Memo regarding AECOM Housing Needs Assessment for Upper Beeding, June 2017

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132. This suggests that, even assuming the Parish achieves the housing numbers set out in this study over the Plan Period, it will struggle to meet the need for AH given that development is likely to yield only 59 dwellings (using the 20% quota). It is also worth noting that this does not take account of any backlog of need and future needs arising. While this suggests AH policy may be insufficient, it is important to remember these enquiries are from people whose needs could be addressed elsewhere in the District.
133. Another way of looking at this however is to take the overall number on the HRWL (671), and calculate the 'fair share' that may be accorded to Upper Beeding. As we have seen, at the time of the last Census there were 1,627 dwellings in the NPA and 56,516 or 2.9% (rounded) of all homes in the district. An estimate of the AH that may be allocated to the Parish is therefore 20 dwellings.
134. In order to achieve this figure, again using the 20% quota, around 100 new dwellings would be required. It is worth noting this is broadly in line with the projections derived from completion rates achieved between 2001 and 2011, and those achieved since 2011.
135. Given the strategic nature of Policy 16, it will be challenging, within the neighbourhood plan, for the NDP to develop a policy that departs from it. On the basis of the evidence gathered, therefore, we do not see sufficient justification for the Upper Beeding Neighbourhood Plan to set its own affordable housing target.
136. Nevertheless, if UBPC is to have confidence it's AH needs are to be achieved in future years, it is necessary to maintain and build on the completion rates witnessed since 2011.
137. Moreover, an assertive position as regards AH should be adopted, together with additional evidence to show need within the NPA, for example a parish-level housing register waiting list (PHRWL). Such a register, if regularly maintained, would provide an up-to-date tool for attracting additional AH supported by robust evidence of local need, and justify the AH exception sites, if appropriate.
138. In addition, a PHRWL could be used as a lobbying tool to resist cases where developers are seeking a low AH allocation on a given site or to re-negotiate S106 commitments to provide affordable housing part way through the delivery of a scheme.

### 2.3.7 Housing provision: affordable homes (AH)

139. Earlier in this study, we identified the various different tenures that constitute AH: social rented housing, discounted market sales housing (Starter Homes), affordable private rent housing, shared ownership and affordable rented housing. We consider each of these in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

#### 2.3.7.1 Discounted market housing (starter homes)

140. As we have seen, Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.
141. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable home ownership and rented tenures.'
142. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

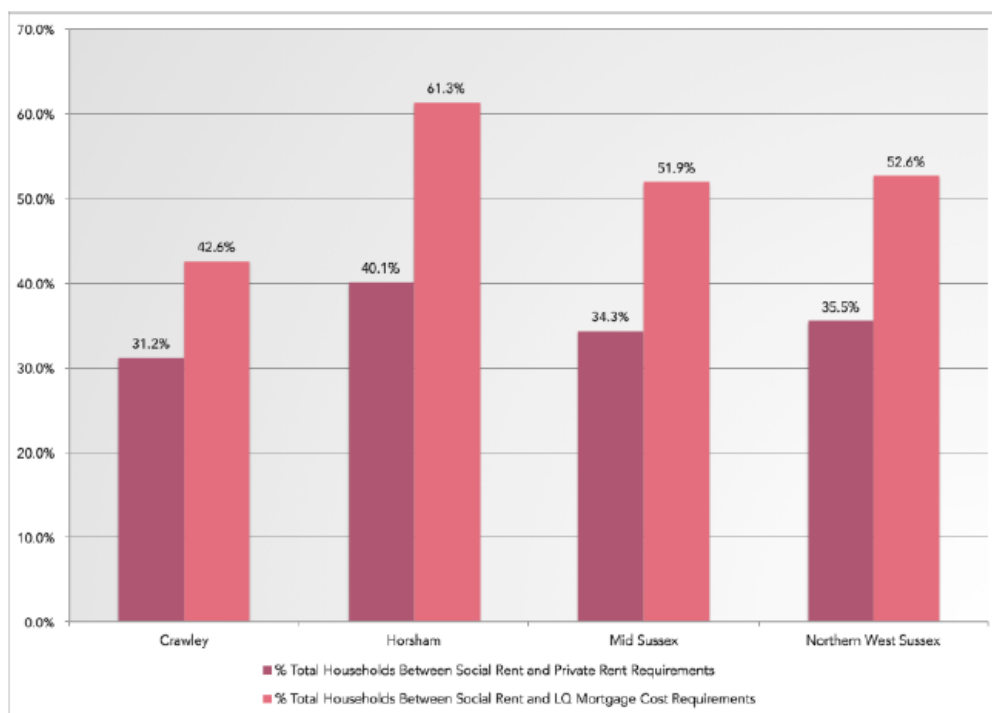
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143. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
144. As we have seen, allowing for a 10% deposit, reducing the value of a LQ property priced at £168,432 for mortgage purposes to £ 151,589, and applying a further discount of 20% to arrive at the approximate selling price of a DMSH of £121,271, a house-hold on the mean income for mid-Sussex of £47,472 could afford a dwelling at this price-point. The Income Threshold at a multiple of 3.5 is £ 34,649; moreover, in the real world, some households are able to secure a higher multiple of their income than 3.5 from lenders.
145. On the basis of the evidence we have gathered, we would therefore recommend DMSH form part of the AH quota within the NPA, with policy seeking to fulfil the 10% policy expectation. We note that 20% is a minimum discount and, of course, greater discounts will make the policy more effective in enabling households on modest incomes afford to buy their own home. The ultimate level of discount should be arrived at on a site-by-site basis and will be determined by viability as well as other calls on finite resources stemming from planning gain, such as other forms of AH and infrastructure requirements.
146. While the Housing White Paper does not specify size of development, it is appropriate for this to be taken into account when considering how the 10% policy expectation should be applied in practice. When the policy was conceived, it was linked to the notion of rural exception sites, land that would normally not be considered for housing to bring forward substantial numbers of affordable dwellings where there is evidence of local need.

**2.3.7.2 Shared ownership**

147. As we have seen, the shared ownership tenure has seen some growth in the NPA between the 2001 and 2011 Censuses. It is therefore worth considering its future role in Upper Beeding. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% 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.
148. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (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.
149. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000. Given these conditions, it is not surprising why it has taken root in Upper Beeding on the basis of the affordability analysis discussed above, it should form part of the AH mix in the Parish.
150. The AHNMU14 provides support for this conclusion, showing a growing market for Intermediate products at the Housing Market Area level; it defines this in two ways, the 'narrow' definition, those whose income falls within the social rent to private rent threshold, and the 'wide' definition of those whose income falls between social rent and lower quartile mortgage costs. It shows that a majority of households would qualify on income grounds. In figure 12 below we reproduce AHNMU14 figure 20.

**Figure 12: Potential Scale of the Intermediate Housing Market**



Source: CLG, VOA, TPDL and Chiltern Consulting Calculations

**2.3.7.3 Affordable rent**

- 151. The AHNMU14 comments that ‘it is clear now, in this 2014 update, that the Northern West Sussex authorities would need to offer lower ratios than 80% of market rent in order for the Affordable Rent model to increase affordability for households. At the 80% level, the Affordable Rent model rivals Intermediate tenure costs and also some lower quartile private housing purchase mortgage costs.’<sup>33</sup>
- 152. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean. The neighbourhood plan should flag the need for the cost of AH targeted at those on lower quartile household incomes to be linked to these income levels.

**2.3.7.4 Affordable Housing type allocations**

- 153. Below, in Table 10 we put forward recommendations of how the AH quota should be divided between the tenure types based on our analysis of affordability and the emerging policy context at the national level. This envisages a substantial uplift in the level of various forms of intermediate housing, including shared ownership and ‘starter homes.’ This builds on findings from the HNSR study that, of the 31 households identified, 11 indicated a preference for a shared-ownership property (35.5%), 10 to rent from a Housing Association (32.3%), 7 to rent privately (22.6%), 2 to buy on the open market (6.5%) and 1 provided no response (2.4%)<sup>34</sup>. This suggests that, of those seeking AH, roughly 50% require a shared ownership dwelling, and 50% social housing. The tenure ‘affordable private rent housing’ is discussed in the next section.

**Table 11: Allocation of AH tenure types**

Tenure type	%
Social rented housing	50
Affordable rented housing	0
Intermediate housing (discounted market sales and affordable private rent housing)	50

Source: AECOM

<sup>33</sup> AHNMU14, page 81

<sup>34</sup> HNDS, page 26

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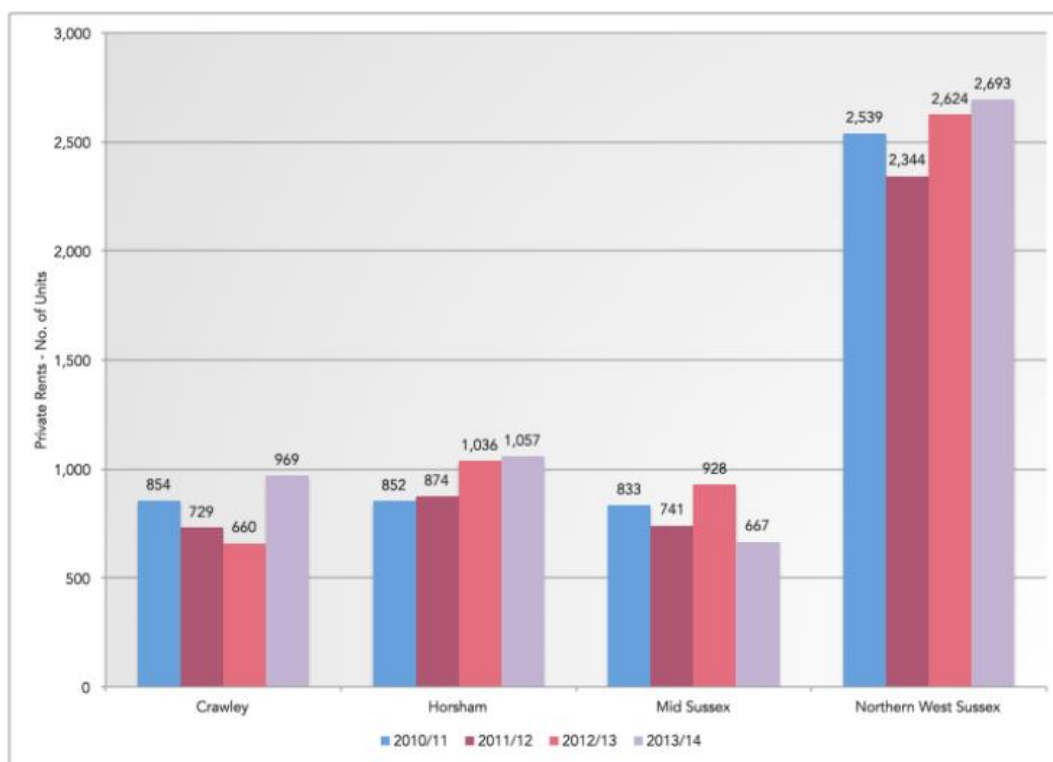
**2.4 RQ3. What type of market housing (private rented and housing for sale) should be included in the housing mix?**

- 154. Given the limited quantity of Affordable Housing in the NPA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.
- 155. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

**2.4.1 Build to rent**

- 156. As we have seen, there is evidence of growing demand for private rent accommodation in the NPA. This is supported by evidence at the Housing Market Area level. Below we reproduce Figure 12 from the AHNMU14 which reveals the increase in private rental lettings over the period.

**Figure 13: Annual Private Rental Lettings for Northern West Sussex Authorities, Q2, 2010 – Q1, 2014**



Source: VOA, 2010-2014

- 157. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.
- 158. Given the trends identified in this HNA, Upper Beeding should seek build to rent (BTR) development, which may include an element of affordable housing and is likely to be brought forward by specialist developers funded by institutional investors. This will provide accommodation of consistently higher quality than is available through the traditional small private landlord.
- 159. The Housing White Paper proposed a number of modifications to the definition of affordable housing for planning purposes. One of these is Affordable Private Rent Housing (APRH); this is housing made

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available for rent at a level which is at least 20 per cent below local market rent. It is envisaged such housing would be delivered as part of BTR schemes.

160. Bringing our consideration of housing need driven by affordability together, the following key findings emerge: firstly, the current tenure profile of the area leaves little available accommodation for those on low incomes, given that the bulk of the housing stock is in owner occupation. This suggests that those households ineligible for AH, but who cannot afford market housing, may struggle to access housing suitable for their needs, threatening them with having to move from the area.
161. Secondly, it is instructive that, according to the HNSR study, roughly 8% of households in 2014 were eligible for affordable housing; this is also the proportion of the housing stock defined as AH. While an equilibrium between AH need and supply can therefore be said to exist, it is important to note this is an entirely artificial construct given that demand and supply are attenuated by eligibility criteria and practical constraints on delivery. Moreover, the presence of a small but persistent group of 'concealed households' suggests a small backlog that policy should seek to clear, as well as ensuring needs are met moving forward.
162. Thirdly, the small growth in shared ownership dwellings detected in Census 2011 indicates this could be a plausible route to home ownership for those on low incomes, for example first time buyers. At the level of the HMA, a crisis of affordability is identified, with households on lower and median incomes unable to access AMH.
163. Fourthly, the inability of those on mean and median incomes within Horsham District (roughly £39,000 and £47,000 respectively) to afford entry level market properties generates a compelling argument for discounted market sales housing and affordable private rent housing. These tenure types are particularly suitable for first time buyers.
164. The data we have assembled from the SHMA studies suggests that 55% of households are currently reliant on private rented dwellings or some form of emerging 'intermediate' AH housing product.
165. Fifthly, the evidence we have gathered does not support UBPC developing its own AH policy, but does suggest this policy should be assertively implemented in the NPA. In addition, of the AH quota secured through market housing development, 50% should be allocated to social rented housing and 50% to intermediate products. This reflects the relative affluence of the neighbourhood, the express preference for those in housing need and the UBPC's policy objective of supporting first time buyers, some of whom may be 'concealed' households.
166. Finally, of the market housing coming forward, Build to Rent should be included in the housing mix, to acknowledge the growing role this takes in providing housing to those on average incomes.

## 2.5 RQ4. What type and size of dwellings are suited to

- **older people (in particular those living alone in large houses and those suffering from dementia)**
- **first time buyers (in particular the children of current residents and young professionals)**

### 2.5.1 Current Tenure Profile

167. In order to understand whether the type and size of housing that makes up the current housing stock is suited to the future needs of the community, it is necessary to undertake a review of this stock and, through an analysis of the current and future demography of the neighbourhood, assess whether there are any current or emerging misalignments between the supply of dwellings and forecast need that justifies policy intervention.
168. In Table x below we set out the types of dwellings in the Parish at the time of the last Census. This shows the NPA is dominated by three forms of housing: detached, semi-detached and terraced dwellings. Flats form a small minority of the overall housing stock, and substantially below that for Horsham District.

**DRAFT****Table 12: Accommodation type (households) in Upper Beeding, 2011**

Dwelling type		Upper Beeding	Horsham	England
Whole house or bungalow	Detached	27.5%	38.7%	22.4%
	Semi-detached	33.8%	26.5%	31.2%
	Terraced	24.5%	17.0%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	9.2%	14.7%	16.4%
	Parts of a converted or shared house	0.8%	1.6%	3.8%
	In commercial building	1.4%	0.9%	1.0%

Source: Census 2011, AECOM Calculations

169. In this section we review dwelling sizes; initially some definitional explanation is needed. The number of rooms recorded in Census excludes kitchen, bathrooms and toilets were excluded. Number of rooms data in Table 12 below should be translated as follows:

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

170. Table x below shows a breakdown of housing stock in terms of size. The great majority of dwellings in the NPA are larger family homes of 5 rooms and larger; 24% of homes are smaller than this, and homes of 1-3 rooms represent 9% of total stock.

**Table 13: Number of rooms per household in Upper Beeding**

Number of Rooms	2001		2011	
	Upper Beeding	Horsham	Upper Beeding	Horsham
1 Room	16	277	16	306
2 Rooms	46	1057	43	1256
3 Rooms	68	3791	87	4676
4 Rooms	262	8280	234	8833
5 Rooms	482	11435	431	10988
6 Rooms	342	9377	361	10038
7 Rooms	142	5916	167	6730
8 Rooms or more	181	9904	112	5212
9 Rooms or more			125	6884

Source: Census 2001 and 2011 AECOM calculations

171. As we have seen, there has been a net increase of 51 dwellings in the NPA between 2001 and 2011. Table13 below records how these increases have been spread across the different sizes of home. There has been a net fall in the number of homes of 4 and 5 rooms, but an increase in the number of 3 room homes, and larger dwellings of 7 and 8 rooms. This reflects the affluence of some households as well as demand for smaller dwellings from newly formed households and older people seeking to down-size.



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**Table 14: Rates of change in number of rooms per household in Upper Beeding, 2001-2011**

Number of Rooms	Upper Beeding	Horsham	England
1 Room	0.0%	10.5%	-5.2%
2 Rooms	-6.5%	18.8%	24.2%
3 Rooms	27.9%	23.3%	20.4%
4 Rooms	-10.7%	6.7%	3.5%
5 Rooms	-10.6%	-3.9%	-1.8%
6 Rooms	5.6%	7.0%	2.1%
7 Rooms	17.6%	13.8%	17.9%
8 Rooms or more	30.9%	22.1%	29.8%

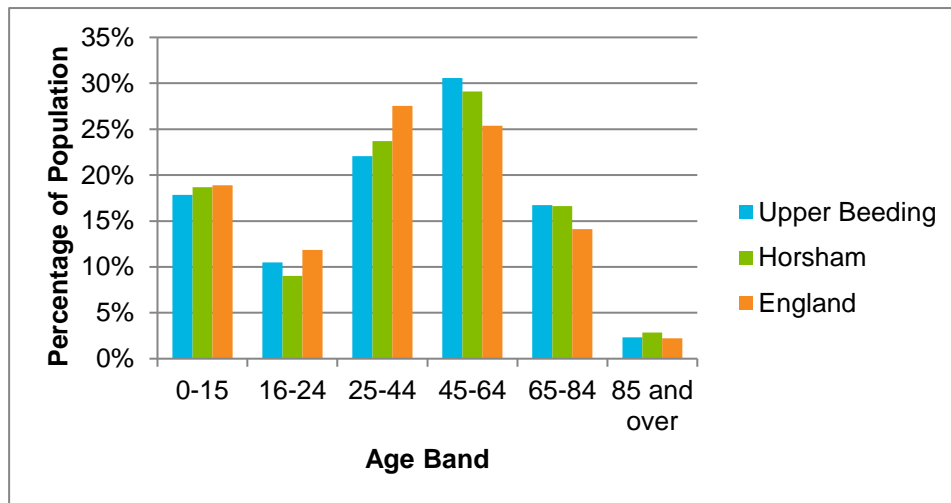
Source: Census 2001 and 2011 AECOM calculations

172. To understand whether this profile of housing stock is suited to the current and future needs of the community in the Parish, we consider two key indicators: age structure and household composition, and how these are forecast to change over time. This, combined with our analysis of affordability in RQ2, will enable us to identify, as PPG suggests, a number of market segments in the NPA.

**2.5.2 Age Structure**

173. In figure 14 below, we set out the age structure of the resident population. This shows a profile broadly comparable with the wider district, with a particularly high proportion of adults in late middle-age.

**Figure 14: Age Structure in Upper Beeding, Horsham and England, 2011**



Source: Census 2011, AECOM calculations

174. In Table 14 below we set out how the age structure in the NPA has changed between the 2001 and 2011 Censuses. There have been no dramatic shifts, although the increase in the proportion of the population taken up by older people is notable, particularly within the 65-85 age group, which saw an uplift of 126 individuals. The increase in those in older middle age is also significant, and brings with it a commensurate uplift in young adults. These two factors suggest a community with a family orientation, as well as a place popular for retirees.

**DRAFT****Table 15: Rate of change in the age structure of the population of Upper Beeding, 2001-2011**

Age group	Upper Beeding	Horsham	England
0-15	-17.6%	-2.6%	1.2%
16-24	33.0%	13.9%	17.2%
25-44	-21.0%	-9.2%	1.4%
45-64	7.8%	20.4%	15.2%
65-84	25.0%	24.0%	9.1%
85 and over	26.1%	30.7%	23.7%

Source: Census 2001 and 2011, AECOM calculations

175. In table 14 below we reproduce table 3 from HNHD15; this presents forecasts for shifts in the age structure at the district level over the plan period. This table suggests a continuation of the trend towards an increasingly elderly population in coming years. It also indicates the numbers of those in middle-age will fall. While these numbers should be treated with some caution given the differences in geography, the increase in the numbers of elderly people is likely to be true across the whole of the HMA.

**Table 14: Population change 2011 to 2031 by fifteen year age bands (2012-based SNPP)**

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	22,874	23,497	623	2.7%
15-29	19,437	19,542	105	0.5%
30-44	25,056	24,088	-968	-3.9%
45-59	29,226	27,295	-1,931	-6.6%
60-74	22,350	30,939	8,589	38.4%
75+	12,597	23,499	10,902	86.5%
<b>Total</b>	<b>131,540</b>	<b>148,859</b>	<b>17,319</b>	<b>13.2%</b>

Source: Census 2001, Projections 2031

176. Bringing together the data relating to type and size, the current housing stock exhibits a strong bias towards larger dwellings, and relatively few flats. Changes in the profile of the housing stock saw an increase in larger family dwellings and households occupying homes consisting of three rooms. This may reflect the increase observed, when comparing 2001 and 2011 Census data, in the numbers of older people, who have reached an age where they are looking for a smaller home.
177. Other changes in age structure reinforce the impression of a family orientated community, as well as a place of retirement. These changes support the conclusion that larger dwellings should form an important part of the mix of types and sizes of homes provided over the plan period.
178. The increase in the proportion of the population accounted for by older people creates an imperative for housing policy to address their needs, for example dwellings of a manageable size and designed to be 'age-friendly.'

### 2.5.3 Household composition

179. Age structure and wealth are stronger indicators of demand for dwellings of different size than household composition. This is because people with the means to choose will select a home based on their lifestyle choice and taste, rather than practical need. Nevertheless, it is worth presenting household composition data as this provides an understanding of the community's threshold requirements. The profile of the community in terms of its household composition is broadly comparable with the wider district. The data suggests a clear family orientation with fewer than 40% of all households including children.

**DRAFT****Table 16: Household composition (by household) in Upper Beeding, 2011**

		Upper Beeding	Horsham	England
One person household	Total	27.7%	28.2%	30.2%
	Aged 65 and over	12.8%	13.6%	12.4%
	Other	15.0%	14.6%	17.9%
One family only[1]	Total	67.8%	66.8%	61.8%
	All aged 65 and over	10.7%	10.8%	8.1%
	With no children	19.2%	20.6%	17.6%
	With dependent children	27.2%	26.6%	26.5%
	All children Non-Dependent	10.7%	8.9%	9.6%
Other household types	Total	4.5%	5.0%	8.0%

Source: Census 2011, AECOM Calculations

180. Table 17 below describes the changes that have taken place in terms of household composition between the 2001 and 2011 Censuses. Given the few major shifts in the data, beyond modest increases in solo and older households, the picture that emerges is a relatively stable population.

**Table 17: Rates of change in household composition in Upper Beeding, 2001-2011**

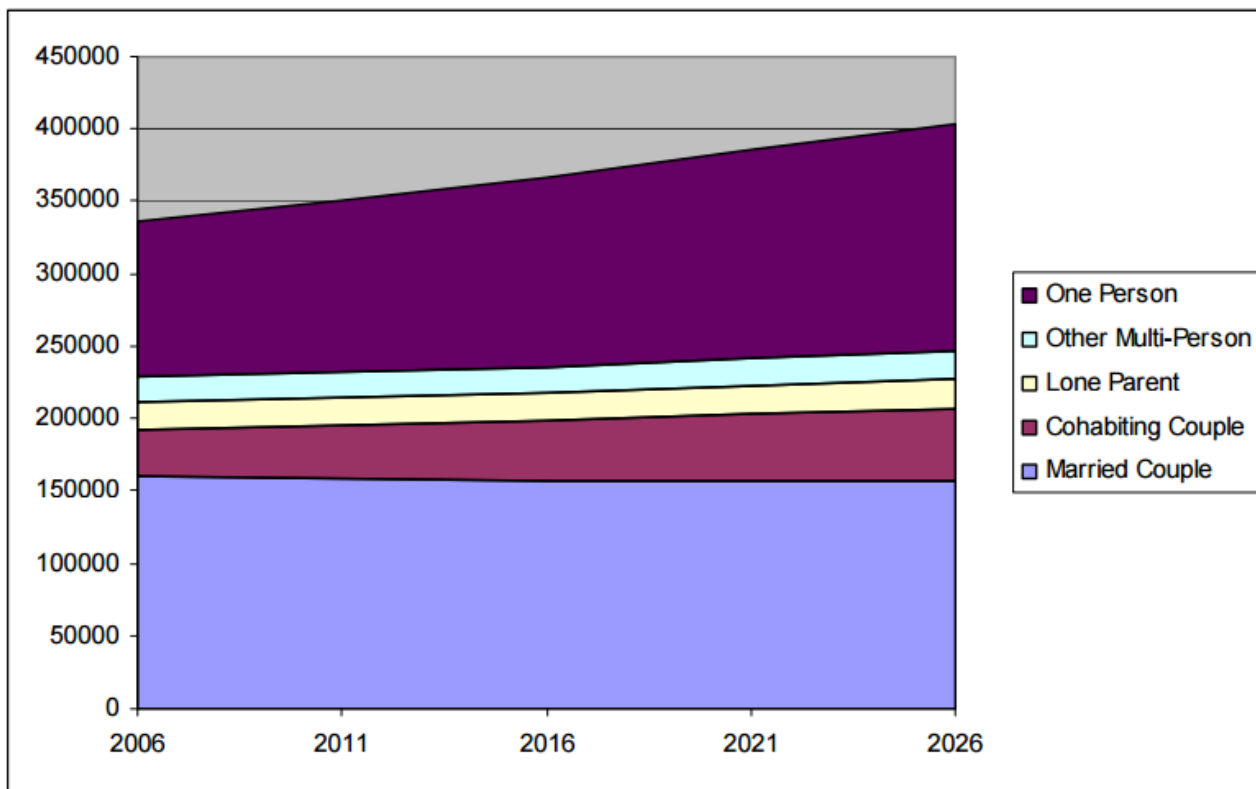
Household type		Percentage change, 2001-2011		
		Upper Beeding	Horsham	England
One person household	Total	11.8%	16.0%	8.4%
	Aged 65 and over	7.5%	8.6%	-7.3%
	Other	15.7%	23.9%	22.7%
One family only	Total	-0.6%	6.3%	5.4%
	All aged 65 and over	4.3%	8.5%	-2.0%
	With no children	-11.7%	4.8%	7.1%
	With dependent children	-3.6%	4.0%	5.0%
	All children non-dependent	34.1%	14.8%	10.6%
Other household types	Total	-7.8%	26.4%	28.9%

Source: Census 2001 and 2011, AECOM Calculations

181. SHMA09 provides some assistance in projecting changes in household composition in future years at the level of the Housing Market Area. Below we reproduce SHMA09 Figure 8.8 as Figure 15; this shows a continuation of the trend, seen in Census data reported above, of increases in one-person households with other forms of household composition remaining broadly steady. This may reflect both social trends, for example people leaving having children until later in life, and demographic shifts, in particular the ageing population.

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**Figure 15: Changing Household Structure, West Sussex County 2006-2026**



Source: WSCC, CLG Revised Trend Based Household Projections

182. In Table 18 below we set out data relating to persons per room; this provides a broad indication of the degree of over-crowding in the NPA. From this data, it is clear the great majority of dwellings provide ‘surplus’ accommodation. In 2011, less than 1% of all households experienced overcrowding. Notwithstanding, there was an increase in the numbers of homes exhibiting overcrowding from 4 to 13 between 2001 and 2011.

**Table 18: Changes in number of persons per room, Upper Beeding and Horsham, 2001-2011**

	2001	2001	2011	2011
	Upper Beeding	Horsham	Upper Beeding	Horsham
Up to 0.5 persons per room	1085	37861	1161	41969
Over 0.5 and up to 1.0 persons per room	445	11798	402	12487
Over 1.0 and up to 1.5 persons per room	4	300	9	366
Over 1.5 persons per room	0	78	4	101

Source: Census 2001 and 2011, AECOM Calculations

183. Table 17 below reports on concealed households; this indicates that, at the time of the last Census, there were 16 families ‘concealed’ within host households; while there is likely to be an overlap with the ‘over-crowded’ homes described in the previous paragraph, concealed households, as described earlier, may equally be young adults living with their parents, and therefore captured in ‘family’ households, and not necessarily self-identifying as ‘concealed.’

**Table 19: Concealed families in Upper Beeding, Horsham and England, 2011**

Concealed families	Upper Beeding	Horsham	England
All families: total	1,136	38,935	14885145
Concealed families: total	16	451	275954
Concealed families as % of total	1.4%	1.2%	1.9%

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**Source: Census 2001 and 2011, AECOM Calculations**

184. Given the demographic profile, the existence of widespread surplus accommodation would suggest some appetite for downsizing on the part of older people; equally, many people in owner-occupation may choose to live in larger properties. It is worth noting the profile of economic activity in the area; this is set out in Table 20 below. This suggests a proportion of households should be able to afford larger dwellings than their threshold requirements based on household composition would imply.

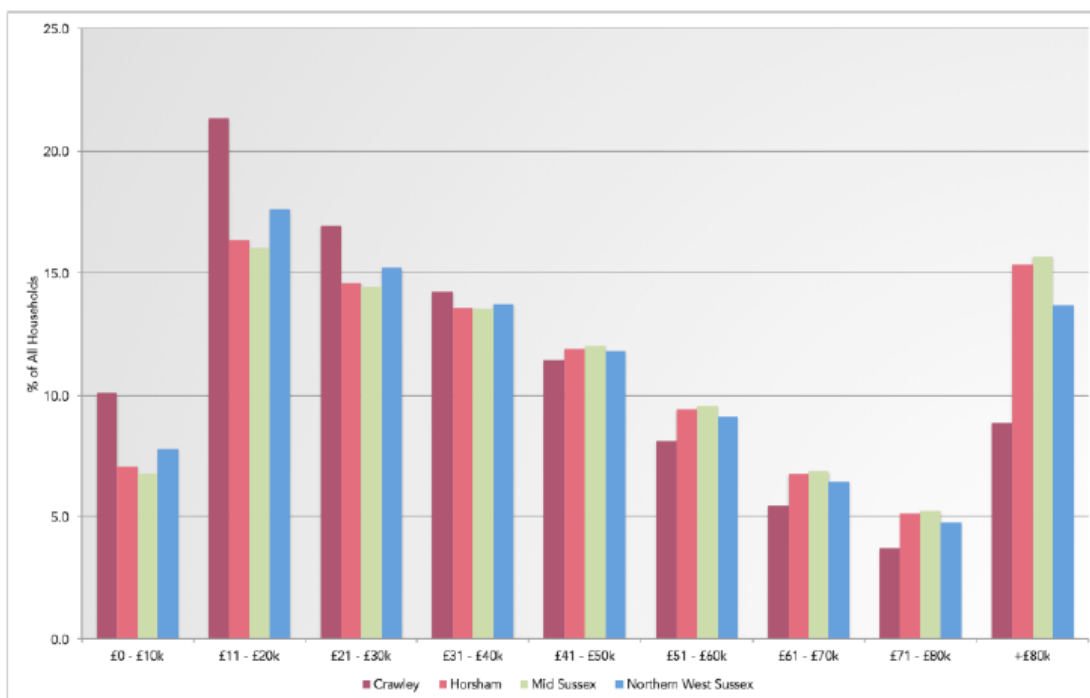
**Table 20: Economic activity in Upper Beeding, 2011**

Economic category		Upper Beeding	Horsham	England
Economically active	Total	73.8%	73.4%	69.9%
	Employee: Full-time	36.8%	40.3%	13.7%
	Employee: Part-time	15.1%	14.8%	38.6%
	Self-employed	16.2%	12.9%	9.8%
	Unemployed	2.5%	2.7%	4.4%
	Full-time student	3.3%	2.7%	3.4%
Economically inactive	Total	26.2%	26.6%	30.1%
	Retired	16.7%	15.5%	13.7%
	Student	3.6%	3.5%	5.8%
	Looking after home or family	2.6%	4.2%	4.4%
	Long-term sick or disabled	2.1%	2.2%	4.1%
	Other	1.1%	1.3%	2.2%

**Source: Census 2011, AECOM Calculations**

185. Moreover, data available from the AHNMU14 (in Figure 16 below we reproduce Figure 17 from this document) provides supporting evidence of the presence of a large minority of households enjoying incomes substantially above the mean (some 43% of households have an income over £50,000 within the HMA, with roughly 18% earning over £80,000). Given the data from Census set out in table 20 above, it is likely Upper Beeding will have a similar income profile.

**Figure 16: Household Earnings by Income Band, 2014**



**Source: CACI Pay check Household Incomes, July 2014**

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186. Bringing the evidence on household composition together, the most striking change is the increase in solo households. Data also suggests a clear family orientation with fewer than 40% of all households including children. The growth in solo households does not translate automatically into smaller homes. To take older people as an example, many wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay. Moreover, the relatively wealthy demographic will blunt the apparent need (among those able to assess market homes) for smaller homes. Nevertheless, household composition data does support the attention being paid, in terms of the type and size of dwellings, of households comprising fewer individuals, and the average age being substantially older.

#### 2.5.4 Market Segments

187. Bringing together the evidence from our consideration of affordability, age structure and household composition, it is possible to identify different market segments, and map these segments onto both size and tenure of dwelling.
188. The table below indicates the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One 'up' arrow indicates this grouping is growing modestly in the NPA; two 'up' arrows indicates strong growth, three 'up' arrows suggests very rapid growth in years to come. Where groups are falling in numbers, or not growing, neutral or down arrows are shown.
189. It is important to note that, as we have seen, the market is good at picking up growth trends in market segments. For this reason, policy intervention is only justified in the case of market failure (where the market is unable, for reasons of viability, or where there are incentives, that drive the market not to respond to trends). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.
190. Similarly, because we believe in the capacity of the market to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent); policy intervention is only required in the most extreme circumstances. This is because policies carry both costs and risks; they can distort the market, preventing it from providing homes (and encouraging a position of market equilibrium in which homes are accessible to target markets). Therefore, where three 'up' arrows have been identified, this provides a rationale for policy intervention.

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Market segments	Income range	Tenure	Presence in Plan Area	Size of home
Young family where parents are aged 24-44 with two children aged 0-15	Median	PRS, Social housing, Intermediate	↔	5 rooms
Professional Head of Household Young family where parents are aged 24-44 with two children aged 0-15	Mean	PRS, Intermediate (shared equity and discounted market housing for sale or rent)	↔	5 rooms
Professional Head of Household family where parent are aged 44-64 with non-dependent children living at home	>Mean (equity rich)	Market Housing	↑	6+ rooms
Lone parent with two children	Lower Quartile (equity poor)	Social Housing	↔	3 rooms
Solo household aged under 65	Median (equity poor)	PRS, Intermediate (shared equity and discounted market housing for sale or rent)	↔	2 rooms
Solo household aged over 65 with wealth	Median (equity rich)	Market Housing	↑↑↑	2-3 rooms
Solo household aged over 65 with little wealth	Lower Quartile (equity poor)	Social Housing	↑↑↑	2 rooms
Young couple w/o Children aged under 34	>Mean (equity poor)	Market Housing, PRS, Intermediate (shared equity and discounted market housing for sale or rent)	↑	4+ rooms
Concealed households	Lower Quartile (equity poor)	Social Housing	↔	1-3 rooms

Source: AECOM

191. To answer the RQ5 specifically, the housing needs of older people will be driven, as far as market housing is concerned, primarily by wealth and life-style choice. The three 'up' arrows indicate there is sufficient justification to plan specifically for the needs of older people to ensure there is enough suitable housing to cater to their needs in the future. The range of development and dwelling types is discussed in the next section.

## 2.5.5 Housing for Older People

### 2.5.5.1 Sheltered and extra-care housing

192. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered<sup>35</sup> and extra care<sup>36</sup> housing as part of the delivery of new housing. Table 21 below identifies the growth in the population of over 75s between 2011 and 2031.

**Table 21: Change in the population of over 75s between 2011 and 2031**

Age band	2011			2031		
	Population (Upper Beeding)	Population (Horsham)	Percentage of population	Population (Horsham)	Population (Upper Beeding)	Projected 75+ population (Upper Beeding)
All ages	3,763	131,301	3%	149,978	4,298	
75+	286		8%	23,197	15%	665

Source: 2014-based Sub-national population projections, DCLG and Census 2011 (ONS) AECOM calculations

193. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population<sup>37</sup>. The table above shows an estimate of the increase in the numbers of older people aged 75+ of 59 (185-126). This will result, over the plan period, in a need for:

- additional conventional sheltered housing units =  $60 \times 6\% = 4$  (rounded)
- additional leasehold sheltered housing units =  $120 \times 6\% = 8$  (rounded)
- additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale =  $20 \times 6\% = 1$  (rounded)
- additional extra care housing units for rent =  $15 \times 6\% = 1$  (rounded)
- additional extra care housing units for sale =  $30 \times 6\% = 2$  (rounded)
- additional specialist dementia care homes =  $6 \times 6\% = 1$  (rounded)

<sup>35</sup> Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 11/04/17)

<sup>36</sup> New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. <http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 11/04/17)

<sup>37</sup> Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: [http://www.housinglin.org.uk/\\_library/Resources/Housing/SHOP/SHOPResourcePack.pdf](http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf)



**DRAFT****2.5.5.2 Retirement villages**

194. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the LIN analysis, there is a need for appropriate housing for older residents and a careful assessment should be undertaken as to the suitability of the settlement for development of this kind. Accessibility to key services is an important consideration, as well as transport connections that enable staff to come and go. For this reason, other settlements in the area, such as Steyning, Worthing, Lancing or Shoreham may be more appropriate locations.
195. Such schemes should be explored through joint working with HDC and other parishes to identify sites that could address collective need.

**2.5.5.3 Senior Co-housing**

196. Co-housing has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill<sup>38</sup> and LILAC in Leeds<sup>39</sup>. In the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting and shared activities.

**2.5.5.4 Multi-generational homes**

197. Multi-generational living has been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.<sup>40</sup>
198. The phenomenon of the aging population has an up-side; with increases in the quality of health-care, older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, they are in a good position to take on both voluntary and paid work, for example looking after grandchildren or taking care of the elderly.

**2.5.5.5 Lifetime Homes**

199. Many local authorities incorporate policy into their Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and through doorways is as convenient as possible including for those using mobility aids or wheelchairs, and those moving furniture or other objects.<sup>41</sup>

**2.5.5.6 Right-sizing**

200. As we have identified earlier, there is a need for a greater number of the type of dwellings that facilitate 'right-sizing' for older people. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays.
201. For this reason, it is important to recognise that different ages have different needs; thus, in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more

<sup>38</sup> <http://www.featherstonecohousing.co.uk/> (visited 12/04/17)

<sup>39</sup> <http://www.lilac.coop/> (visited 12/04/17)

<sup>40</sup> RIBA, *Silver Linings, The Active Third Age and the City*, Page 17-18

<sup>41</sup> <http://www.lifetimehomes.org.uk/pages/about-us.html>

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dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.<sup>42</sup>

**2.5.5.7 Planning flexibility**

202. Planning policy can be mobilized to help properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address 'lifetime homes' criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens.<sup>43</sup> This is not dissimilar to the practice of 'alley-gating' where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

**2.5.5.8 Lifetime neighbourhoods**

203. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers life-time neighbourhoods, in which the public realm is designed to address the needs of older people, and activates the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example providing more greenery and more walkable, better connected places.
204. Given the expanded role of neighbourhood planning around design outlined in the Housing White Paper of 2017<sup>44</sup>, a compelling notion is that of 'the amplification of impact of micro-environmental features' to describe that particular way in which we become more sensitive to the ordinary, smallest features of urban space as we age. This places a particular emphasis on care and reflection in how we design, for example paths and public seating; this, in turn, calls for the participation of older people in the process of design.
205. Design approaches exist that provide a starting point for locally informed policy development in this area, these include Manchester's Design for Access 2 and the work of Inclusive Design for Getting Outdoors (IDGO); IDGO have identified material features that make everyday negotiation of urban space that much easier for older people; these include wide and flat tarmac footways, easy transition level changes, clear, simple and visible signage, frequent warm and supportive seating and well-maintained, safe and open toilets.<sup>45</sup>
206. In addition, the notion of 'pensioner play-grounds,' 'green-gyms,' community gardens and various forms of guerrilla gardening (for example the Edible Todmorden project<sup>46</sup>) encourage active use of public space and facilities on the part of an older demographic.

**2.5.5.9 Age-friendliness**

207. Since the millennium, policy at the international level has been directed towards a more holistic appreciation of what an 'age-friendly' urban environment looks like. It has been remarked this should extend beyond physical installations, such as public seating and access to WCs, but embrace means mobilising civic agency among older group to forestall incipient marginalisation, enabling them to continue to make a full and active contribution to community life.<sup>47</sup>
208. In 2006 the World Health Organisation (WHO) began developing the 'Age-Friendly Cities' movement, now a worldwide network of over 200 member cities around the world. They have produced a guide that offers a way of analysing the city from the perspective of older people, using a framework of inter-related domains: transportation, housing, social participation, respect and social inclusion, communication and information, civic participation and employment, health and community services.
209. Considering the housing domain, the WHO study identifies a check list of attributes necessary to foster a sense of belonging and well-being among older people. In addition to affordability and designing accommodation with the needs of older people in mind, the adaptability of dwellings is important, for

<sup>42</sup> Housing LIN, *New Approaches to Housing for Older People*, June 2014, page 6

<sup>43</sup> Gobber, S, *A Bright Grey Future*, Urban Design Group Journal, Spring 2016, page 29

<sup>44</sup> HMG, *Fixing our broken housing market*, page 29

<sup>45</sup> RIBA/Age UK, *An Alternative Age-Friendly Handbook*, page 54/55

<sup>46</sup> <https://www.incredible-edible-todmorden.co.uk/>

<sup>47</sup> RIBA/Age UK, *An Alternative Age-Friendly Handbook*, page 16

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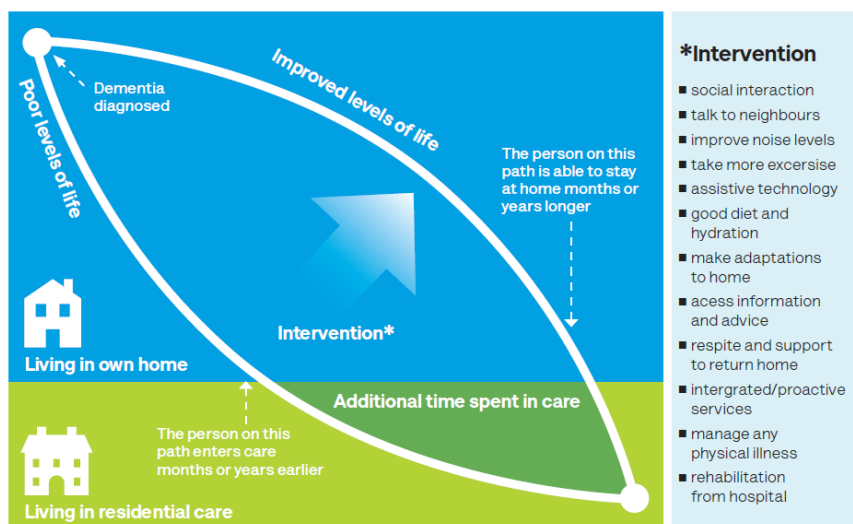
example their capacity to accommodate chair-lifts that enable older people to continue to live in two-storey homes<sup>48</sup>.

- 210. The WHO also identified access to services, particularly those that become increasingly important as people get older, such as places of worship and community centres.<sup>49</sup> Moreover, optimising well-being has much to do with being able to maintain links with existing networks, which is best achieved by enabling people to remain in their existing communities for as long as possible. In the Australian city of Melville small clusters of senior's housing with small gardens are made available throughout the city, so that older people are not isolated from the community and particularly from children.<sup>50</sup>

**2.5.5.10 Housing for people with Dementia**

- 211. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates<sup>51</sup>. The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable.
- 212. Selwood Housing in the South West has pioneered approaches that help overcome these, for example the installation of property exit sensors to inform a monitoring centre when tenants leave their home and then not return within a pre-determined time.
- 213. In figure 17 below we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

**Figure 17: Dementia care chart**



Source: Dementia Services Development Centre, 2013

**2.5.5.11 The role of the Local Authority**

- 214. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people,<sup>52</sup> it is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the district.

<sup>48</sup> World Health Organisation: Global age-friendly cities: a guide, page 32

<sup>49</sup> Ibid, page 33

<sup>50</sup> Ibid, page 35

<sup>51</sup> Alzheimer's Society, Dementia-friendly housing charter, page 13

<sup>52</sup> NPPF, para 50

### 3 Market Signals

215. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

216. The PPG states:

*The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.<sup>53</sup>*

217. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the housing market.

218. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

*This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.*

*In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.<sup>54</sup>*

#### 3.1 Employment and commuting trends

211. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of Upper Beeding Parish.

212. Upper Beeding sits in close proximity to Brighton and Hove, less than half an hour by car. Brighton is, “an internationally recognised University City, with clusters of creative and digital businesses, [and] financial services.<sup>55</sup> These types of knowledge economy employment account for an above average proportion of employment in Brighton and Hove, and this has the potential to contribute to future job growth and thus additional housing demand in Upper Beeding.<sup>56</sup>

213. Furthermore, future employment growth in the wider economy region will also be driven by the prioritisation of investment into 9 specific growth poles across the Coast to capital Local Enterprise Partnership Area, shown in the figure below. Sitting, as Upper Beeding does, in a strategic location in close proximity to many of these future areas of growth and investment, it is reasonable to expect further growth in demand for housing as a result of employment growth in these locations.

<sup>53</sup> [http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph\\_019](http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019)

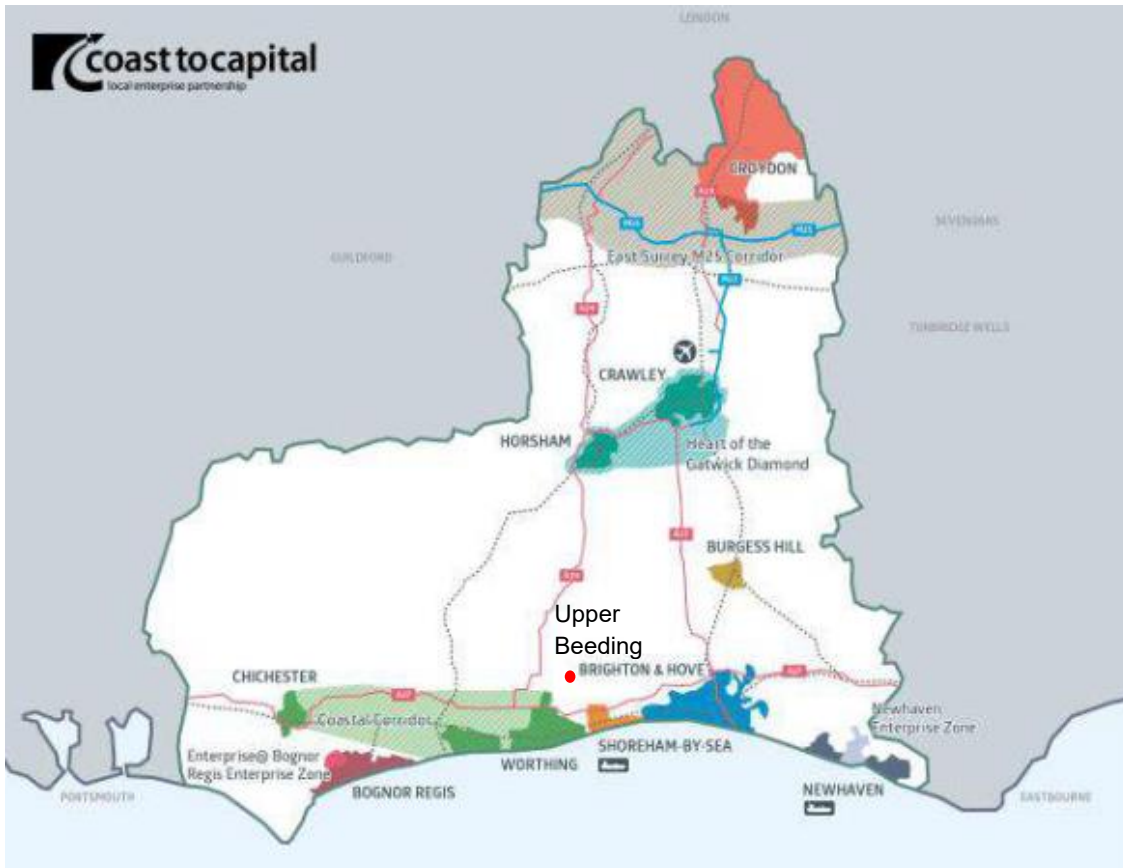
<sup>54</sup> [http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph\\_020](http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_020)

<sup>55</sup> LEPSEP14, pp. 29

<sup>56</sup> LEPSEP14, pp. 37

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**Figure 18: Map of current and future growth capacity and spatial priorities in the Coast to Capital Local Enterprise Partnership Area**



Source: CtCSEP14

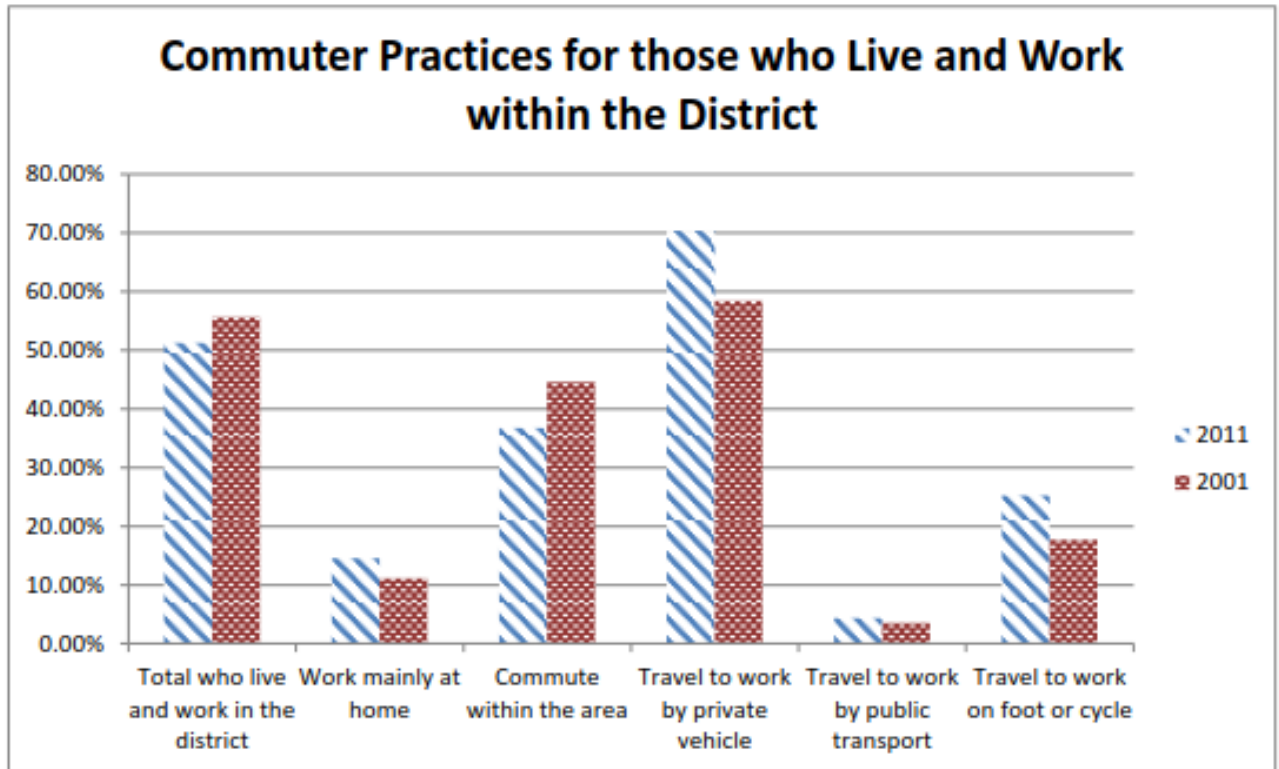
214. In addition to the impacts of economic growth in the wider economic area, fully 16% of those who are economically active in Upper Beeding work from home, higher than the average for the district or for England, as shown in the table below. This is corroborated by the figure below, which shows there has also been significant growth of approximately 4% in the last 10 years of those working from home in Horsham.

**Table 22: Distance to work, 2011**

Location of work	Upper Beeding	Horsham	England
Less than 10km	35.5%	34.3%	52.3%
10km to less than 30km	27.2%	28.5%	21.0%
30km and over	10.2%	13.8%	8.0%
Work mainly at or from home	16.0%	14.6%	10.3%
Other	11.1%	8.7%	8.5%
Average distance travelled to work	19.2km	19km	14.9km

Source: Census 2001/11/ SHMA13

Figure 19: Commuter Practices for those who live and work within Horsham



Source: 2011 Census/HDEP16

215. The table below confirms that 16.2% of economically active people in Upper Beeding are also self-employed, and there is likely to be significant overlap between those who are self-employed and those who work from home. Such small, home-based businesses “are likely to have growth potential”<sup>57</sup>, and given that Horsham has better survival rates for new businesses than Great Britain as a whole<sup>58</sup>, have the potential to contribute significantly to employment growth in Upper Beeding, thus leading to additional demand for housing in the area.

Table 23: Economic activity in Upper Beeding, 2011

Economic category		Upper Beeding	Horsham	England
Economically active	Total	73.8%	73.4%	69.9%
	Employee: Full-time	36.8%	40.3%	13.7%
	Employee: Part-time	15.1%	14.8%	38.6%
	Self-employed	16.2%	12.9%	9.8%
	Unemployed	2.5%	2.7%	4.4%
Economically inactive	Full-time student	3.3%	2.7%	3.4%
	Total	26.2%	26.6%	30.1%
	Retired	16.7%	15.5%	13.7%
	Student	3.6%	3.5%	5.8%
	Looking after home or family	2.6%	4.2%	4.4%
	Long-term sick or disabled	2.1%	2.2%	4.1%
	Other	1.1%	1.3%	2.2%

Source: 2011 Census, AECOM Calculations

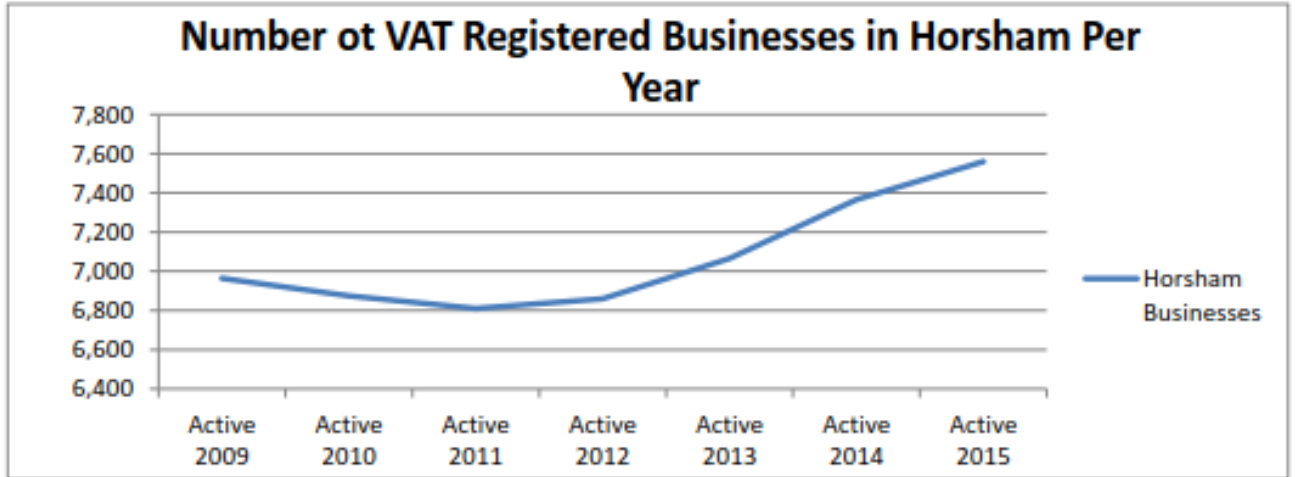
<sup>57</sup> HDEP16, pp. 30

<sup>58</sup> HDEP16, pp. 29

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216. Apart from a subtle increase in demand for space required for home work, there has also been a significant growth in the number of VAT registered businesses based in Horsham, as shown in the figure below, overtaking their pre-recession level and suggesting strong recovery and a surge in employment growth in the district, which could also drive demand for housing in Upper Beeding.

**Figure 20: Number of VAT Registered Businesses in Horsham per Year**

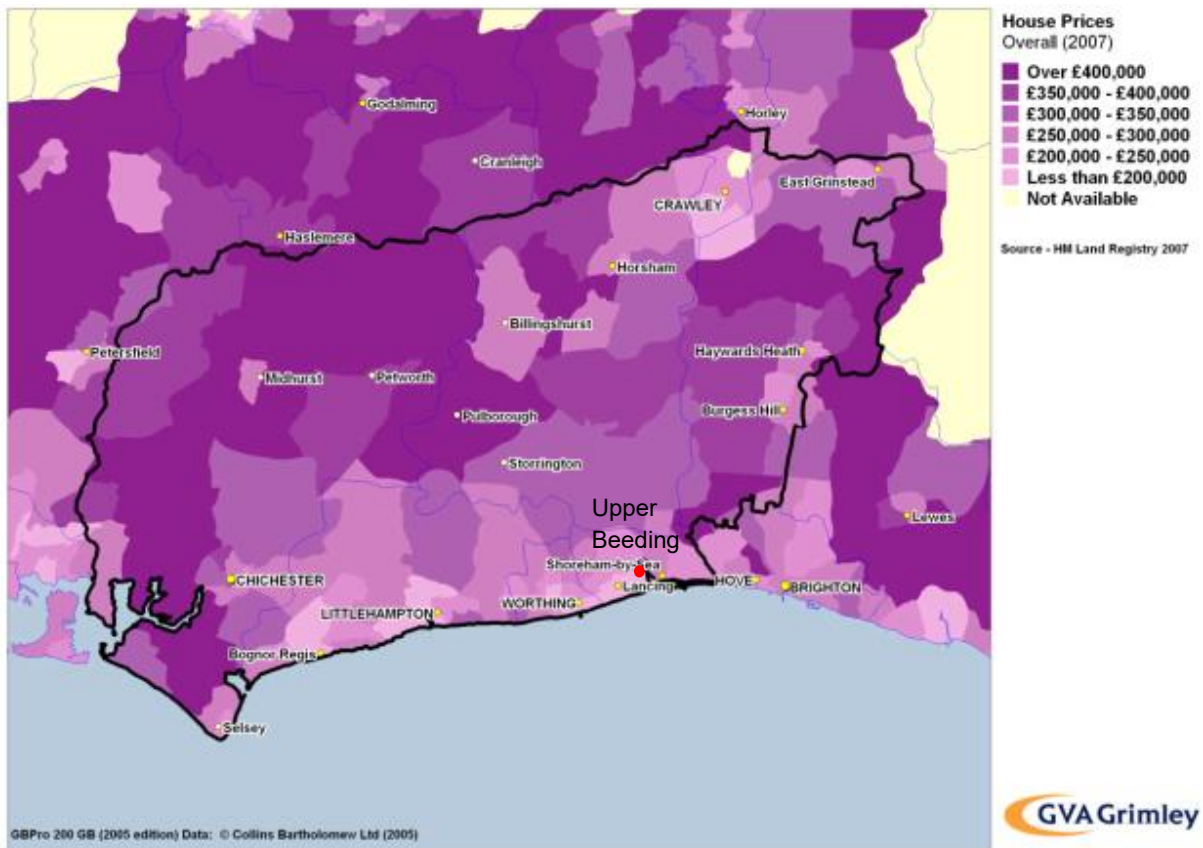


Source: ONS Business Demography 2008 to 2015/HDEP16

### 3.2 Housing Transactions: Prices

217. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand. The PPG states houses prices can be used to provide a 'market-base' enabling: "the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility."<sup>59</sup>
218. Upper Beeding falls into the South East part of the Northern West Sussex HMA, an area that offers 'attractive smaller settlements offering high quality of place and a housing offer focused more towards larger properties with strong demand.' Upper Beeding is relatively affordable as demonstrated by figure 21 below showing variations in house prices at the local level for 2007.

Figure 21: Overall House Prices 2007



Source: GVA Grimley 2006/SHMA09

219. This is reiterated by comparing Land Registry Price Paid Data (PPD) for period January 2007 to December 2016 with the UK House Price Index for Horsham District as a whole. This data is presented in the table below, broken down by housing type, and shows that all housing types except for flats experienced less price growth in Upper Beeding than in Horsham district as a whole.

<sup>59</sup>Housing and economic development needs assessment PPG, Paragraph: 011 Reference ID: 2a-011-20140306



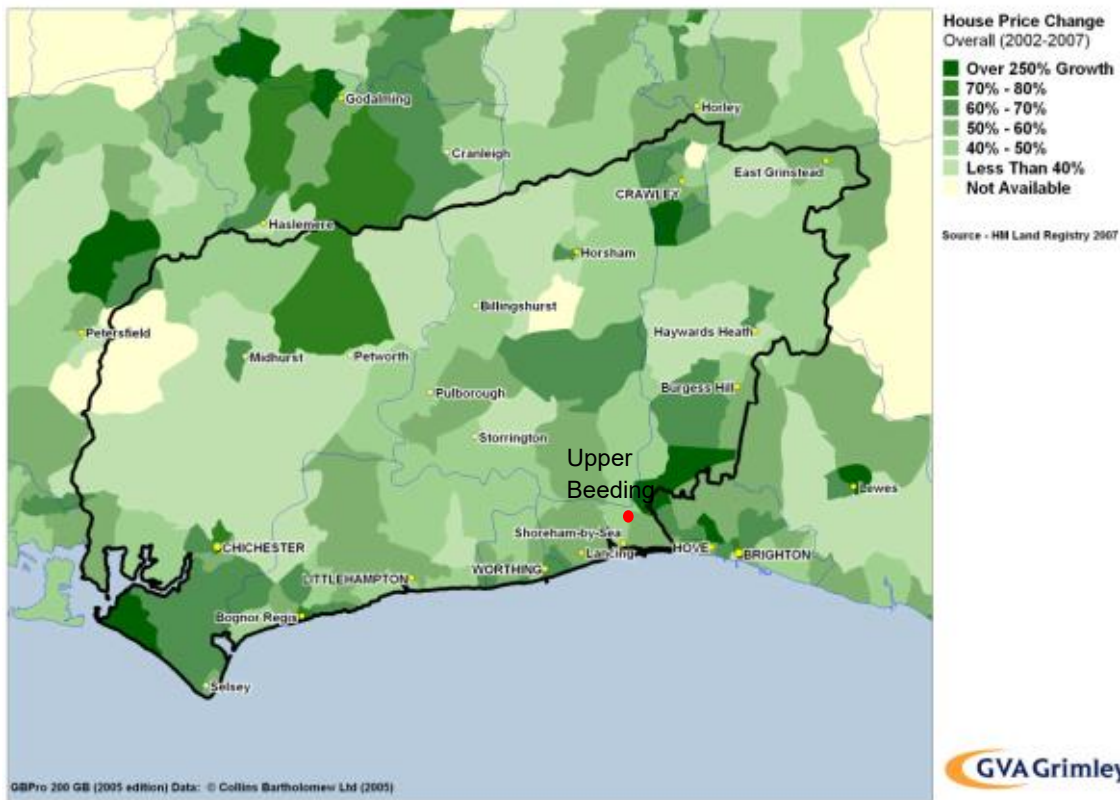
**Table 24: Upper Beeding Prices Paid by House Type, 2007-2016**

Housing Type	2007		2016		Growth	
	Upper Beeding (PPD)	Horsham District (UKHPI)	Upper Beeding (PPD)	Horsham District (UKHPI)	Upper Beeding (PPD)	Horsham District (UKHPI)
Detached	£419,920	£399,421	£519,692	£597,447	24%	50%
Semi-Detached	£237,844	£253,357	£326,795	£367,241	37%	45%
Terraced	£198,568	£208,172	£279,147	£296,668	41%	43%
Flats	£116,700	£156,375	£161,500	£200,563	38%	28%
All Types	£256,422	£259,532	£344,143	£370,245	34%	43%

Source: Land Registry PPD, AECOM Calculations

220. This contrast between house prices in Upper Beeding and its surroundings is reiterated by historic trends as shown in the SHMA09, shown in the figure below, which demonstrates that between 2002-2007, Upper Beeding experienced between 50%-60% house price growth, whilst some other areas in the District experienced growth of 60—80% and some outliers in the wider HMA experienced growth of up to 250%.

**Figure 22: Price inflation, overall house prices, 2002-2007**



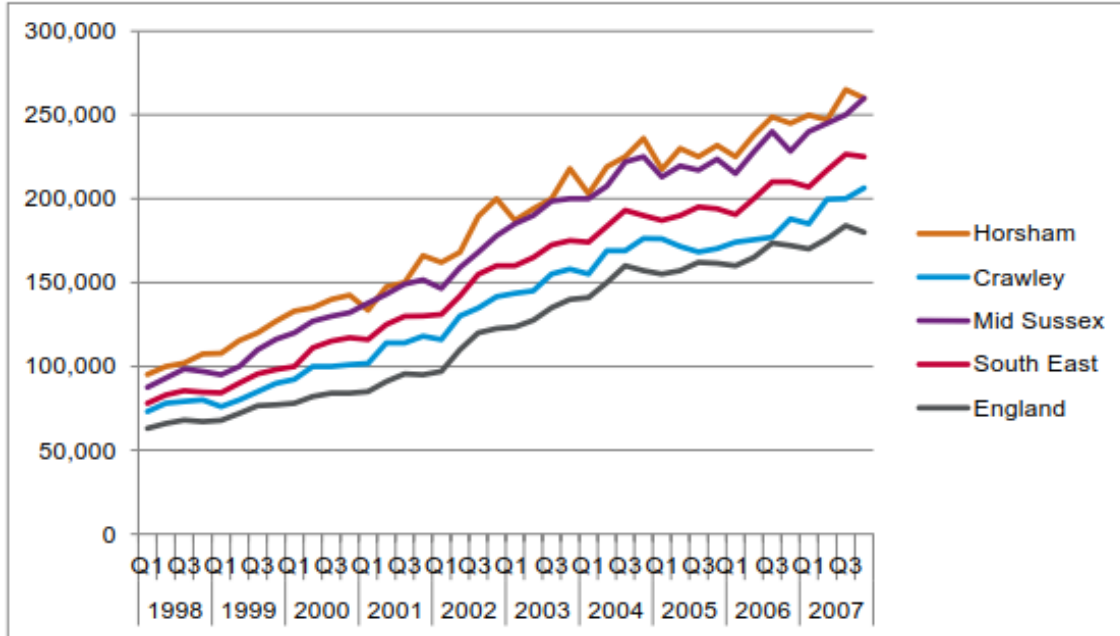
Source: GVA Grimley 2006/SHMA09

221. Furthermore, the figure below from the HNHD15 outlines the relative prices of the sub-housing market areas regarded as comparator areas for Horsham. Although the data is for a different period of study the relationship between the different areas is still useful. Figure 23 shows that Horsham as a whole has historically possessed higher average house prices compared to the rest of the wider Housing Market Area (HMA). Given that Upper Beeding has lower than average house prices compared to Horsham district, and that its prices are increasing at a lower rate than the district as a whole, it is reasonable to suggest that that the housing market in Upper Beeding is more similar to that of the wider HMA than to Horsham District, and is experiencing relatively less demand than the district, again more in line with the wider HMA.

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222. However, this is deemed to be less the case for smaller housing types such as terraced housing (which has seen a similar price rise in Upper Beeding over the period as in the district as a whole), and for flats, which have increased more in price in the NPA than in the district as a whole (albeit representing a very small number of the total sales, and thus being a very small sample size). This suggests significant demand for smaller, more affordable housing types.

**Figure 23: Median house price (1998-2007)**

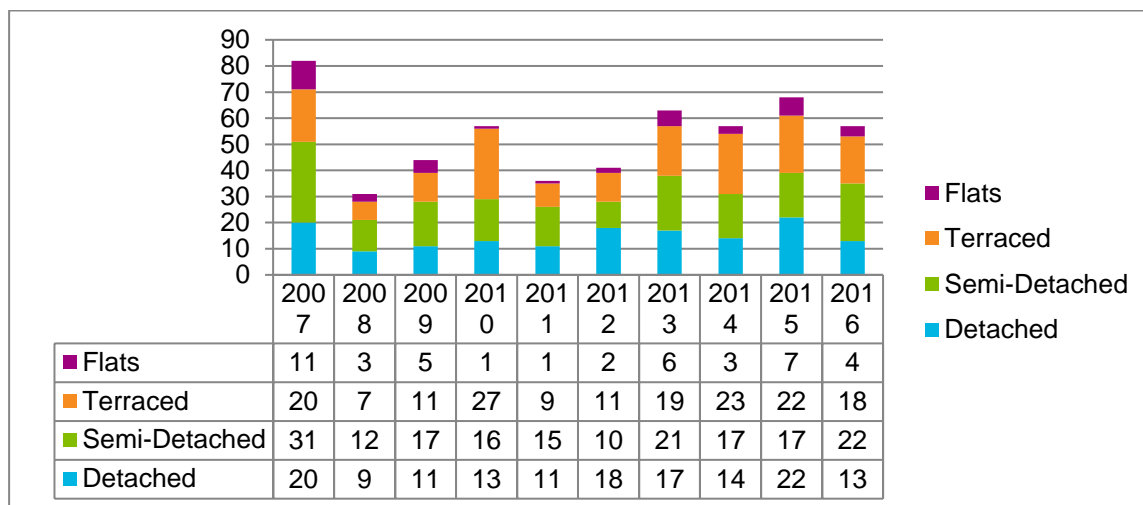


Source: GL Hearn/HNHD15

**3.3 Housing Transactions: Volume**

223. The figure below depicts the relative proportions of different housing typologies sold in Upper Beeding between 2007 and 2016. This graph represents the same Land Registry data discussed in the previous section separated out by housing type. This data is comprised of 536 transactions for approximately 227 dwellings.

**Figure 24: Sales volumes of different housing types in Upper Beeding, 2007-2016**



Source: Land Registry PPD, AECOM Calculations

224. As shown in the figure above, the number of homes sold in Upper Beeding has fluctuated significantly, with a high of 82 sold in 2007, before the effects of the national recession were felt, dropping to lows of

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31 in 2008 and 36 in 2011, the ‘double dip’ experienced in the national economy. This elasticity demonstrates how demand for housing in Upper Beeding is shaped by the wider economic and housing market conditions experienced by the rest of the country. In fact, Figure 25 below, which reproduces Figure 14 of Housing Need in Horsham District 2015, demonstrates that the recovery of sales volumes in Upper Beeding, after both the 2007 and 2011 dips was much stronger relatively than in Horsham, the housing market area, or England as a whole. This suggests a high level of ongoing demand for housing in Upper Beeding.

**Figure 25: Indexed Analysis of Sales Trends (1998-2014)**



Source: HMLR/Land Registry Data/GL Hearn /HNHD15

**Table 25: Sales of housing in Upper Beeding versus existing housing stock in the Parish and in Horsham District, by type**

	SALES <i>Upper Beeding</i> (PPD)	STOCK <i>Upper Beeding (ONS)</i>	STOCK <i>Horsham District (ONS)</i>
Detached	28%	27%	39%
Semi-Detached	33%	34%	27%
Terraced	31%	24%	17%
Flats	8%	11%	17%

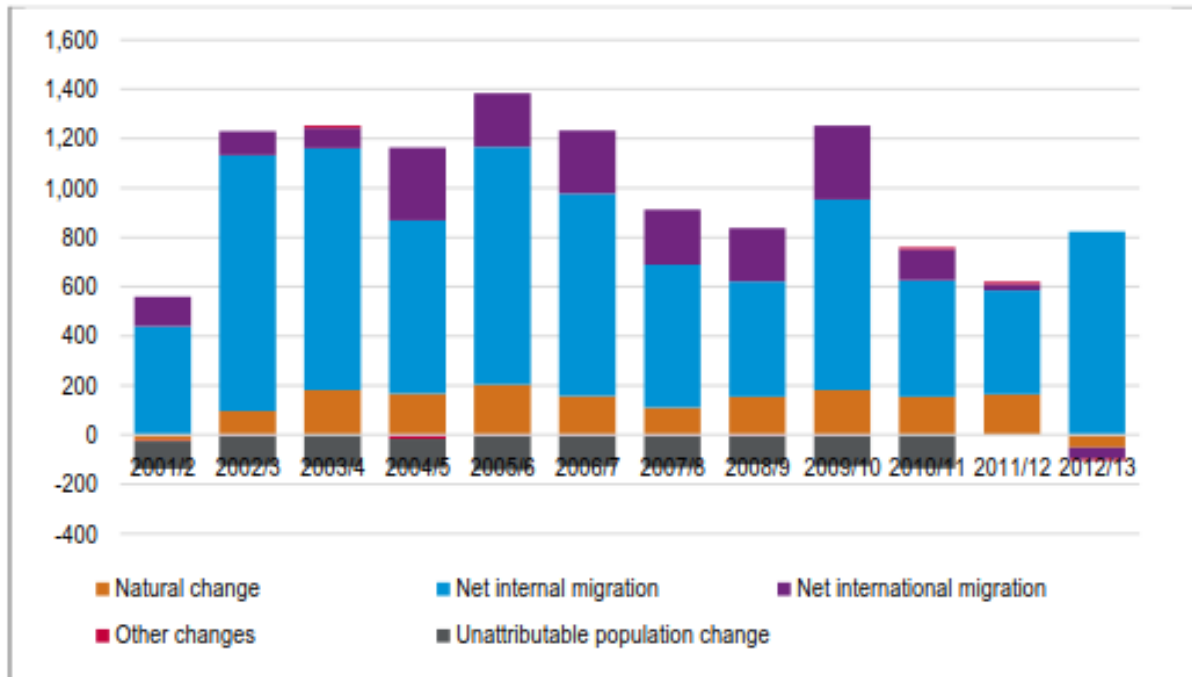
Source: Census 2001/2011, Land Registry PPD, AECOM Calculations

### 3.4 Migration

225. The figure below, from the most recent SHMA update for Horsham, HNHD15, shows that migration is the key driver of population change and in particular internal migration (i.e. moves from one part of the country to another). This is corroborated by the SHMA09, which shows that in the years 1996-2006, Horsham experienced the highest level of population growth, of approximately 10%, of any district in the Northern West Sussex Housing Market Area, totalling more than 10,000 people, and that this was driven in large part by migration from London and from Brighton. However, Upper Beeding experienced a loss of population between 2001 and 2011. Furthermore, of the 5.5% of the population of Upper Beeding born outside of the UK, fully 71% have lived in the country for 10 years or more. Therefore migration is not seen as a significant factor influencing housing demand in Upper Beeding.

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Figure 26: Components of Population Change, mid-2001 to mid-2013 – Horsham



Source: Census 2011/HNHD15

Table 26: Country of birth and length of residence, 2011

Place of birth	Population breakdown	Upper Beeding	Horsham	England
Born in the UK	Total	94%	92%	86.2%
Born outside the UK	Total	6%	8%	13.8%
	EU	2%	3%	3.7%
	Other	3%	5%	9.4%

Source: Census 2001/2011, AECOM Calculations

Table 27: Length of residence of those born outside of the United Kingdom

Length of residence in the UK	Upper Beeding	Horsham
Less than 2 years	5%	11%
2-5 years	11%	13%
5-10 years	14%	16%
10 years or more	71%	60%

Source: Census 2001/2011, AECOM Calculations

### 3.5 Overcrowding

226. Another indicator of demand in the housing market is shown by the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock as increased demand does not always result in an increase in supply as this is relatively inelastic.

227. Table 28 below shows that the amount of households living in the densest category has more than doubled between 2001 and 2011, albeit from a low base of four households experiencing a lack of rooms. This growth was also reflected in Horsham District, although on nowhere near the same scale. Whilst this level of overcrowding is not seen as particularly significant, even at the 2011 level, such

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households may be more likely to seek larger accommodation were to it become available, thus increasing demand for housing.

**Table 28: Trends in number of persons per room in Upper Beeding, 2001-2011**

Persons per room	2001		2011	
	Upper Beeding	Horsham	Upper Beeding	Horsham
Up to 0.5 persons per room	1085	37861	1161	41969
Over 0.5 and up to 1.0 persons per room	445	11798	402	12487
Over 1.0 and up to 1.5 persons per room	4	300	9	366
Over 1.5 persons per room	0	78	4	101

Source: Census 2001/2011, AECOM Calculations

### 3.6 Concealed Families

228. A further indicator of unmet housing demand is the presence of concealed families, that is, families who would prefer their own home but are unable, for a variety of reasons, to obtain one, and therefore live with others. The table below shows that there is evidence of 16 concealed families within the Upper Beeding NPA, an indicator of a lack of affordability. This means that there are 16 'hidden families' living within multi-family households, in addition to the primary family, such as a young couple living with parents. Whilst this may be seen to indicate under-provision in the NPA, this rate is broadly in line with the Horsham average in terms of overall percentage, and lower than the rate in England as a whole. Therefore the rate of concealed families is not seen as a particularly significant indicator of increased demand.

**Table 29: Concealed families in Upper Beeding, 2011**

Concealed families	Upper Beeding	Horsham	England
All families: total	1,136	38,935	14885145
Concealed families: total	16	451	275954
Concealed families as % of total	1.4%	1.2%	1.9%

Source: Census 2011, AECOM Calculations

### 3.7 Rate of development

229. Data provided by the LPA below shows that there were 48 dwelling completions (a net gain of 18 dwellings) in Upper Beeding Parish between 2011 and 2016. As the table makes clear there has been a significant increase in the pace of delivery over the period for which data is available, particularly in the most recent year, 2015/16. This can be attributed to the full recovery of the housing market in the area following the national recession, which depressed completions in the earlier part of the period for which data is available. It is reasonable to suggest that this sharp increase in the rate of development in Upper Beeding is indicative of significant unmet demand.

**Table 30: Summary of units permitted, built and demolished in Upper Beeding, by type, 2010-2016**

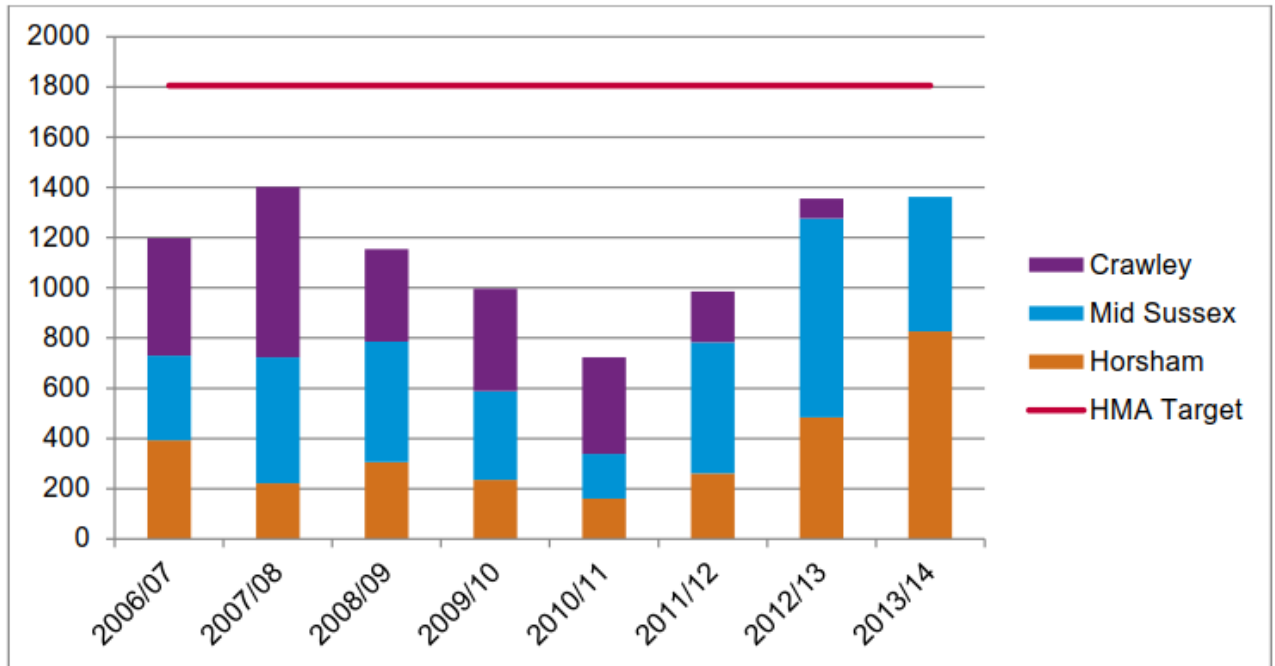
Survey Year	Parish	Permitted	Houses	Flats	OAP Units	Built Units	Losses	Net
2010/11	UB	4	4	0	0	4	0	4
2011/12	UB	5	5	0	0	1	2	-1
2012/13	UB	3	3	0	0	3	1	2
2013/14	UB	27	6	0	0	2	23	-21
2014/15	UB	6	6	0	0	5	1	4
2015/16	UB	33	8	25	25	33	3	30
<b>TOTAL</b>		<b>78</b>	<b>32</b>	<b>25</b>	<b>25</b>	<b>48</b>	<b>30</b>	<b>18</b>
					Net gain	<b>18</b>		

Source: Horsham District Council

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230. The figure below, which reproduces a figure from Housing Need in Horsham District 2015, demonstrates the relative strength of Horsham’s housing market recovery, particularly when set against nearby Crawley, and the dip in supply in Mid-Sussex for 2013/14, the last year for which data is available. Needless to say, housing supply has not, in the years for which data was available, surpassed more than 80% of projected need for the housing market area, as shown below, although in the year 2013/2014 Horsham did deliver more than the 800 homes set as an annual target in its 2015 District Planning Framework<sup>60</sup>. This provides further evidence to support the view that significant under-delivery of housing within the wider housing market area has prompted the sharp increase in the rate of development in 2015/16 seen in the figure above.

**Figure 27: Housing Supply vs. Past Targets, 2006/07-2013/14**



Source: Local Authorities’ Annual Monitoring Reports/HNHD15




<sup>60</sup> HDPF15, pp. 54

## 4 Conclusions





### 4.1 Overview

231. In Table 29 below we provide a summary of the evidence related to market signals. As explained earlier, these are used to make adjustments to the overall housing number for the NPA.
232. To do this, we have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates ‘some impact’, two arrows ‘stronger impact’ and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.

**Table 31: Summary of factors specific to Upper Beeding with a potential impact on neighbourhood plan area housing**

Factor	Source(s) (detailed in Chapter 5)	Possible impact on future housing need	Rationale for judgement
<b>Employment trends</b>	HNHD15, CICEP2014, HDEP16, HEP2016, SHMA09, Census 2001/11		Upper Beeding has been shown to be connected to the wider economic area, and therefore demand for housing will be stimulated by economic growth in the Brighton and Hove and Wider Coast to Capital Economic Area.  Furthermore Upper Beeding has been shown to have a significant degree of home workers, a sector which has high potential for future growth as noted in the Horsham District Economic Profile 2016.  As a result, an assessment of two up arrows has been deemed appropriate because of the current strength and predicted future growth of employment opportunities in the local area.
<b>Housing transactions (Prices)</b>	SHMA09, Land Registry Price Paid Data for 2006-2016, HNHD15		The Upper Beeding NPA has been shown to have experienced a 34% increase in prices paid over a ten year period, with larger increases for smaller, more affordable properties such as terraces.  As a result an assessment of one up arrow has been deemed appropriate due to the relatively low increases in house prices experienced in the NPA when assessed against the District, thus placing it more in line with the HMA comparator areas.
<b>Housing Transactions (Volume)</b>	Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA09		The volume of sales in Upper Beeding has been shown to be more resilient to the effects of the double dip national recession than the rest of the housing market area, demonstrating the ongoing demand for housing in the NPA.  Furthermore the proportion of all properties sold in Upper Beeding that fall into each type matches how these types are represented in the existing stock, except for flats and terraces, where a higher number has been sold, suggesting these types are in particularly high demand. For this reason, two upward arrows is deemed appropriate.

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<b>Migration</b>	HNHD15, SHMA 2009, Census data 2001, 2011		Migration is not seen as significant factor in determining housing need given that the just 29% of the 6% of Upper Beeding residents born outside of the UK arrived in the last 10years.
<b>Overcrowding</b>	Census data 2001, 2011		There is some evidence of over-crowding in Upper Beeding, however this are not seen as particularly significant indicator of additional demand.
<b>Concealment</b>	Census data 2001, 2011		Upper Beeding's rate of concealed families (1.4%) is higher than that of Horsham District as a whole (1.3%) indicating some level of demand; therefore one up arrow is considered appropriate.
<b>Rate of development</b>	HDC, HNHD15 Land Registry Data/AECOM Calculations		The local authorities in the wider North West Sussex Housing Market Area have significantly under-delivered against HMA targets over the past eight years.  Furthermore the rate of development in Upper Beeding increased sharply in 2015/16. This suggests the period of under-delivery prior to this year had created a latent demand; the development exhibited in 2015/16 is evidence of the market responding to this demand as the national economy recovers. In order to sustain this process, an assessment of two up arrows is deemed appropriate.

**Table 35: Summary of local factors specific to Upper Beeding with a potential impact on neighbourhood plan housing characteristics**

<b>Factor</b>	<b>Source(s) (see Chapter 4)</b>	<b>Possible impact on housing needed</b>	<b>Conclusion</b>
<b>Affordable Housing (AH)</b>	Census, HNSR, SHMA studies	The current tenure profile of the area (dominated by owner occupation) leaves little suitable accommodation for those on low incomes	Those households ineligible for affordable housing, but who cannot afford market housing, may struggle to access housing suitable for their needs, threatening them with having to move from the area.
		Roughly 8% of households in 2014 were eligible for affordable housing; this is also the proportion of the housing stock defined as AH.	While an equilibrium between AH need and supply can be said to exist, it is important to note this is an artificial construct given that demand and supply are attenuated by eligibility criteria and practical constraints on delivery. Moreover, the presence of a small but persistent group of 'concealed households' suggests small backlog that policy should seek to clear, as well as ensuring needs are met moving forward
		The small growth in shared ownership dwellings	
		At the level of the HMA, a crisis of affordability is identified, with households on lower and median incomes unable to access affordable market housing (AMH)	The growth of shared ownership could be a plausible route to home ownership for those on low incomes, for example first time buyers, leading to the recommendation that a substantial share of AH quotas that come from housing development should be allocated to this tenure type



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Households on mean and median incomes within Horsham District are unable to afford entry-level properties

Household income levels generate a compelling argument for discounted market sales housing and affordable private rent housing. These tenure types are particularly suitable for first time buyers.

<b>Demand/ need for smaller dwellings</b>	Census	<p>The current housing stock exhibits a strong bias towards larger dwellings, and relatively few flats</p> <p>Changes in the profile of the housing stock saw an increase in larger family dwellings and households occupying homes consisting of three rooms.</p> <p>Data from housing transactions reveals house prices for smaller dwelling types, such as terraced dwellings and flats has increased more strongly than for detached and semi-detached properties.</p>	<p>The growth of three room households points to an increase in the numbers of older people, who have reached an age where they are looking for a smaller home</p> <p>The lack of smaller dwellings is likely to lead to the displacement of households on lower incomes from the area, as discussed above.</p> <p>Findings from the housing transactions suggests demand is higher for smaller, more affordable homes, leading to the recommendation that these type of dwellings should form a larger proportion of new homes being delivered than has previously been the case.</p>
<b>Demographic Change</b>	Census, SHMA studies	<p>A substantial increase in the numbers of older people is recorded, and this is forecast to continue</p>	<p>The increase in the proportion of the population accounted for by older people creates an imperative for housing policy to address their needs, for example dwellings of a manageable size and designed to be 'age-friendly.'</p> <p>In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population. This provides an estimate of the increase in the numbers of older people aged 75+ of 59. This will result, over the plan period, in a need for additional</p> <ul style="list-style-type: none"> <li>- conventional sheltered housing units = <math>60 \times 6\% = 4</math>;</li> <li>- leasehold sheltered housing units = <math>120 \times 6\% = 8</math></li> <li>- 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = <math>20 \times 6\% = 1</math> (rounded)</li> <li>- additional extra care housing units for rent = <math>15 \times 6\% = 1</math></li> <li>- additional extra care housing units for sale = <math>30 \times 6\% = 2</math></li> <li>- specialist dementia care homes = <math>6 \times 6\% = 1</math></li> </ul>
<b>Family-sized housing</b>		<p>Other changes in age structure reinforce the impression of a family orientated community, as well as a place of retirement.</p>	<p>Larger dwellings should form an important part of the mix of types and sizes of homes provided over the plan period.</p>

**DRAFT****4.2 Recommendations for next steps**

219. This neighbourhood plan housing needs advice has aimed to provide UBPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with HDC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
- Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan, the Horsham District Planning Framework 2015
  - the views of HDC – in particular in relation to the housing need figure that should be adopted;
  - the views of local residents as captured in the Consultation Statement and household surveys;
  - the views of other relevant local stakeholders, including housing developers; and
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the HDC, including but not limited to the SHLAA
  - the recommendations and findings of this study.
25. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
26. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
27. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the HDC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
28. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Tables 34 and 35 would be particularly valuable.

