

Lenham Housing Needs Assessment (HNA)

Final Report

June 2019

Quality information

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Revision History

Revision	Revision date	Details	Authorized	Name	Position
V1	14.06.19	Draft for group review	JH	Jesse Honey	Associate Director
V2	20.07.19	Group Comments	PM	Paul McCreedy	
V3	25.07.19	Locality Review	DC	Dave Chapman	

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Table of Contents

1.	Executive Summary	6
2.	Context	8
2.1	Local context	8
2.2	Planning policy context	10
2.2.1	Policies in the adopted local plan	10
2.2.2	Quantity of housing to provide	12
3.	Approach	13
3.1	Research Questions	13
3.1.1	Tenure and affordability	13
3.1.2	Type and size	13
3.2	Relevant Data.....	13
3.2.1	Local authority evidence base	13
3.2.2	Other relevant data	14
4.	RQ 1: Tenure and Affordability	15
4.1	Introduction.....	15
4.2	Definitions	15
4.3	Current tenure profile	15
4.4	SHMA findings.....	16
4.5	Affordability.....	16
4.5.1	House prices	16
4.5.2	Income	18
4.6	Affordability Thresholds	18
4.7	Conclusions- Tenure and Affordability	20
5.	RQ 2: Type and Size	22
5.1	Introduction.....	22
5.2	Existing types and sizes	22
5.2.1	Background and definitions	22
5.2.2	Dwelling type	23
5.2.3	Dwelling size	23
5.3	SHMA findings.....	25
5.4	Household composition and age structure.....	25
5.4.1	Age structure	25
5.4.2	Household composition.....	26
5.5	Dwelling mix determined by life-stage modelling.....	27
5.5.1	Adjustment of model results	30
5.6	Conclusions- type and size.....	30
6.	Conclusions	32
6.1	Overview.....	32
6.2	Recommendations for next steps	34
	Appendix A : Calculation of Affordability Thresholds	35
A.1	Assessment geography	35
A.2	Market housing.....	35
i)	Market sales	36
ii)	Private Rented Sector (PRS).....	36
A.3	Affordable Housing.....	37
i)	Social rent.....	37
ii)	Affordable rent.....	38
iii)	Intermediate tenures	38
	Appendix B : Housing Needs Assessment Glossary	40

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LPC	Lenham Parish Council
LQAR	Lower Quartile Affordability Ratio
MAR	Median Affordability Ratio
MBC	Maidstone Borough Council
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

2. Executive Summary

2.1 Introduction

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

2.2 Research Questions

Issue/ Research Question	Evidence	Conclusion
Tenure and Affordability	<p>The majority of properties in Lenham are owned outright, to a greater extent than Maidstone and England. For the remaining tenures Lenham has a lower proportion than Maidstone and England. This is most evident for social rented and private rented compared to Maidstone.</p> <p>Shared ownership grew significantly over the intercensal period; however this was from an extremely low base. The private rented sector has also seen significant growth. This could correlate with findings on affordability, as over the same period the affordability ratio has increased, which would reflect the increase in private rented dwellings. The number of social dwellings has at the same time decreased, whereas across Maidstone, it has increased.</p> <p>House prices have risen over the last ten years at mean, median and lower quartile. Prices saw a slight dip in 2013 but a steady increase from 2014– 2018 is evident, reaching a maximum in 2018 (£288,125).</p> <p>Terraced homes have seen the largest increase in price over the period (95% growth). This is followed by semi-detached dwellings which have seen a 70.3% rise. Both flats and detached properties have seen a decrease in price over this period. Flats have seen the largest decrease.</p> <p>The median annual household income and lower quartile household income for Lenham have been calculated to be £30,107 and £21,838 respectively.</p>	<p>The income required to afford the different tenures of home available has been benchmarked against Lenham's median annual household income of £30,107 and lower quartile income of £21,838. Households earning lower quartile incomes can only afford to occupy the Social Rent tenure. Lower earning households need therefore to be supported through the provision of this more affordable tenure.</p> <p>Data shows that 9.8% of households in Lenham currently occupy the Social Rent tenure. However, only those on median earnings in Lenham would be able to afford this form of home ownership. Together with the fact that 26 households in Lenham are classified as 'concealed' in the 2011 Census, this suggests that there may be unmet need for social rented accommodation, and so it is recommended that it form part of the tenure mix.</p> <p>Households earning a median income in Lenham can also only afford to occupy social rented tenure. The provision of smaller entry-level dwellings, as is recommended in the analysis of type and size below, would help to expand a tenure category that could help affordability issues.</p> <p>Of the 1145 dwellings that Maidstone Borough Council indicates should be provided in Lenham over the Neighbourhood Plan period, adopted local policy indicates that 458 (40 %) should be affordable.</p> <p>On the basis of the evidence considered within this Housing Needs Assessment, an affordable housing tenure split of 80% Social and Affordable Rent and 20% intermediate</p>

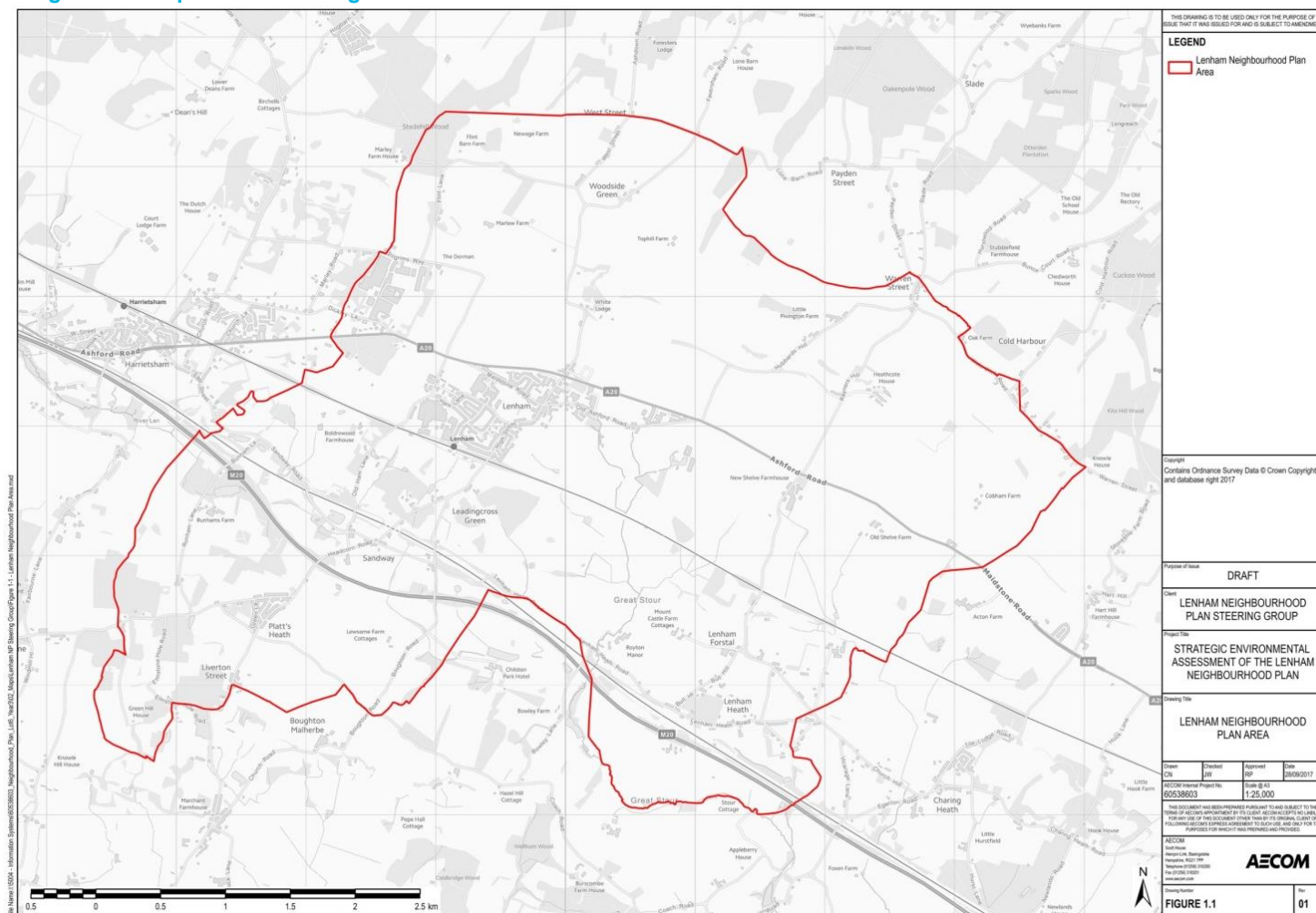
Issue/ Research Question	Evidence	Conclusion
		<p>tenures may be more appropriate.</p> <p>In order to further clarify the precise nature and extent of future need for these tenures, the Neighbourhood Forum may wish to conduct a household survey.</p>
<p>Type and size</p>	<p>The main points of difference with Maidstone are the fewer number of flats and terraced properties in the parish and the larger percentage of semi-detached and detached properties.</p> <p>Generally speaking, properties in Lenham are larger than those in the rest of the borough.</p> <p>On the whole, between 2001 and 2011, smaller dwellings decreased, or have risen at a less significant rate than larger dwellings. Both 1 and 2 room properties have decreased significantly. The largest difference between Lenham and Maidstone can be noted in 2-4 room dwellings, where Maidstone has seen a fairly large increase in each size of property, unlike Lenham. In Lenham dwellings of 6+ rooms have seen a significant increase and 8+ room dwellings seeing the largest increase compared to Maidstone.</p> <p>Since 2001 the parish population has seen a significant rise in those aged 85 and over compared to Maidstone and the rest of England. Lenham has seen a decrease in those aged 25-44 (-9.5%), whereby Maidstone and England have seen increases.</p> <p>In Lenham there is a high proportion of residents who reside in one person households and are aged 65 + (15%) compared to Maidstone (11.5%) and England (12.4%). There is also a smaller percentage of those with dependent children in Lenham (24.7%) compared to Maidstone (28.4%) and England (26.5%).</p>	<p>Whilst an analysis of property types and sizes in the intercensal period suggest that there is an increasing supply of medium to large properties in the parish (5 rooms or more/3 bedrooms or more), it is evident from the life-stage modelling that demand for slightly smaller (2-3 bedroom) homes may increase significantly due mainly to a growing older population. Given the current stock, to avoid any misalignment, about 70% of new homes should be 2 or 3 bedroom, while 20% should be 4+ bedrooms.</p> <p>Whilst the demand for three-bedroom homes will remain significant, it is important to acknowledge that building slightly more 1 or 2 bedroom properties will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate.</p> <p>As a result of existing larger homes being made available due to older households downsizing, it is therefore recommended, if possible, to encourage even more 1, 2 and 3 bedroom homes than our recommendation/ life stage modelling suggests.</p> <p>The overall weighted conclusion is that to satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, it is recommended that around 50% of houses in new developments should be three-bedroom homes, around 30% should be two-bedroom homes and around 10% should be one-bed homes, with the reminding 10% being four+ bedrooms.</p> <p>Bungalows appeal to older people and this particular type of housing should also be encouraged to meet the needs of a growing elderly population.</p>

3. Context

3.1 Local context

2. Lenham is a Neighbourhood Plan area located in Maidstone, Kent in the south of England. The Neighbourhood Area (NA) boundary comprises Lenham Village and the surrounding rural area and was designated in November 2012.
3. The proposed Neighbourhood Plan period starts in 2011 and extends to 2031, therefore comprising a planning period of 20 years. A review of the plan will be completed by April 2021.
4. Geographically, the Parish extends to approximately 5km east-west and 5km north-south. It largely comprises high quality rural landscape, roughly equidistant between Faversham, Ashford, Headcorn, and Maidstone, being approximately 15km from each of these locations. This means the Parish has been able to maintain its distinct rural character.
5. The area to the north of the A20 forms part of the North Downs AONB, while the area immediately south of the A20 provides the setting of the AONB.
6. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 3,370 residents.
7. A map of the Plan area appears below in Figure 2.1.

Figure 3-1: Map of Lenham Neighbourhood Plan area¹



Source: AECOM SEA Report

¹ Map of neighbourhood area also available at http://www.maidstone.gov.uk/data/assets/pdf_file/0008/15776/Lenham.pdf

3.2 Planning policy context

8. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
9. In the case of Lenham, the relevant development plan is the Maidstone Local Plan (adopted 2017)³
10. This sets out:
 - The scale and distribution of development;
 - By site, where development will be located;
 - Where development will be constrained; and
 - How the council and its partners will deliver the plan.
11. The Maidstone Borough Local Plan covers the period from 2011 to 2031 but, to ensure an up-to-date planning policy framework is maintained, a review of the plan will be completed by April 2021.

3.2.1 Policies in the adopted local plan⁴

Table 3-2: Summary of MBC adopted policies having relevance to Lenham Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
Policy SS1 Maidstone Borough Spatial Strategy	<p>Maidstone Borough Settlement Hierarchy defines Lenham as a 'Rural Service Centre'.</p> <p>It is important that these villages are allowed to continue to serve their local area by retaining vital services thereby reducing the need to travel. Some development at these locations provides for a choice of deliverable housing locations and supports the role of the rural service centres. Appropriately scaled employment opportunities will also be allowed, building on and expanding existing provision in these locations.</p> <p>Rural service centres will be the secondary focus for housing development, with the emphasis on maintaining and enhancing their role and the provision of services to meet the needs of the local community. Suitably scaled employment opportunities will also be permitted.</p>
Policy SP5 Rural Service Centres	<p>Focus new housing and employment development within the settlements when it is:</p> <ol style="list-style-type: none"> i. An allocated site or broad location in the local plan; ii. Minor development such as infilling; or iii. The redevelopment of previously developed land that is of a scale appropriate to the size of the village

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

³ Available at http://www.maidstone.gov.uk/data/assets/pdf_file/0005/171149/Local-Plan-v2-November-2017.pdf

⁴ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy SP8 Lenham Rural Service Centre	<p>In addition to minor development and redevelopment of appropriate sites in accordance with policy SP5, approximately 155 new dwellings will be delivered on two allocated sites (policies H1(41) to H1(42)).</p> <p>Two pitches are allocated for Gypsy and Traveller accommodation in accordance with policy GT1(8).</p> <p>Lenham is also identified as a broad location for growth for the delivery of approximately 1,000 dwellings post April 2021, in accordance with policy H2(3). Masterplanning of the area will be essential to achieve a high quality design and layout, landscape and ecological mitigation, and appropriate provision of supporting physical, social and green infrastructure. Housing site allocations and associated infrastructure requirements will be made through the Lenham Neighbourhood Plan or through the local plan review to be adopted by April 2021. Housing sites should avoid significant adverse impact on the setting of the AONB and coalescence with neighbouring Harrietsham.</p>
Policy SP19 Housing Mix	<p>In considering proposals for new housing development, the council will seek a sustainable range of house sizes, types and tenures (including plots for custom and self-build) that reflect the needs of those living in Maidstone Borough now and in years to come.</p> <p>Where affordable housing is to be provided, developers should also take into consideration the needs of households on the council's housing register and discuss affordable housing requirements with the council's housing team at the pre-submission stage of the planning process</p> <p>Accommodation profiles detailed in the Strategic Housing Market Assessment 2015 (or any future updates) will be used to help inform developers to determine which house sizes should be delivered in urban and rural areas to meet the objectively assessed needs of the area. In relation to affordable housing, the council will expect the submission of details of how this information has been used to justify the proposed mix.</p>
Policy SP20 Affordable housing	<p>On housing sites or mixed use development sites of 10 residential units (gross) or more or sites of 0.5ha the council will require the delivery of affordable housing in line with NPPD para 63.</p> <p>Affordable housing provision should be appropriately integrated within the site. In exceptional circumstances, and where proven to be necessary, off-site provision will be sought in the following order of preference:</p> <ul style="list-style-type: none"> i- An identified off-site scheme; ii- The purchase of dwellings off-site; or iii- A financial contribution towards off-site affordable housing. <p>The target rates for affordable housing provision within the following geographical areas, as defined on the policies map, are:</p> <ul style="list-style-type: none"> - Countryside, rural service centres and larger villages 40%. <p>The indicative targets for tenure are:</p> <ul style="list-style-type: none"> - 70% affordable rented housing, social rented housing or a mixture of the two; and - 30% intermediate affordable housing (shared ownership and/or intermediate rent). <p>The council has set a zero affordable housing rate for fully serviced residential care homes and nursing homes.</p>
Policy H1 Housing site allocations	<p>The sites allocated under policies H1(1) to H1(66) and policies RMX1(2) and RMX1(3) will deliver a total of approximately 8,409 homes to contribute towards meeting the borough's housing need.</p>

Policy	Provisions
Policy H1(41) Tanyard Farm, Old Ashford Road, Lenham	To deliver 145 dwellings
Policy H1(42) Glebe Gardens, Lenham	To deliver 10 dwellings
Policies H2 Broad Locations for Housing Growth and H2(3) Lenham	<p>The broad locations for future housing growth allocated under policies H2(1) to H2(3) have the potential to deliver up to 2,440 homes to meet the borough's housing need within the plan period.</p> <p>The rural service centre of Lenham is identified as a broad location in accordance with policies SP8 and H2 for approximately 1,000 dwellings post April 2021.</p>
Policy DM13 Affordable local needs housing on rural exception sites	<p>Outside of Maidstone, the five rural service centres and the five larger villages, the council will work with parish councils and local stakeholders to bring forward affordable local needs housing at its rural communities. The council will grant planning permission subject to the following criteria.</p> <p>People meeting the relevant occupation criteria will be given priority to occupy local needs housing (under the council's housing allocation scheme).</p> <p>Development has been proven necessary by a local needs housing survey approved by the council which has been undertaken by or on behalf of the parish council(s) concerned. In consultation with the parish council and registered provider of social housing, the council will determine the number, size, type and tenure of homes to be developed after assessing the results of the survey. The council will also use the housing register to determine where there may be unmet housing needs.</p>

Source: *MBC Local Plan*⁵

3.2.2 Quantity of housing to provide

12. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
13. MBC has fulfilled that requirement by providing Lenham with a definitive figure. The housing requirement for the borough is set out in the Maidstone Local Plan (adopted October 2017), which covers the neighbourhood parish area. The objectively assessed housing need for the borough over the plan period 2011 to 2031 is confirmed as 17,660 dwellings (883 dwellings per annum). Within this figure, the Local Plan sets out a housing need figure for Lenham in Policy SP8 which can be seen in more detail below.
 - Allocation of 145 homes at Tanyard Farm, Old Ashford Road, Lenham;
 - Allocation of 10 dwellings at Glebe Gardens, Lenham; and
 - the Lenham Neighbourhood Plan area is also identified as a broad location for in the region of 1,000 dwellings towards the end of the Local Plan period (post 2021). The Local Plan states that housing site allocations and associated infrastructure meeting this requirement will be made through the Lenham Neighbourhood Plan or through the Local Plan review to be adopted by April 2021.
14. The question of how many houses to plan for has already been answered, and is therefore outside the scope of this Housing Needs Assessment. For this reason, the issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
15. While AECOM is aware that the neighbourhood group is seeking further clarity on how the quantity figure was calculated by MBC, this can be done by making appropriate representations through the Local Plan process rather than through this Housing Needs Assessment, which must proceed on the basis of the definitive housing quantity provided.

⁵ http://www.maidstone.gov.uk/_data/assets/pdf_file/0005/171149/Local-Plan-v2-November-2017.pdf

4. Approach

4.1 Research Questions

16. Research Questions, abbreviated to 'RQ,' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct our research and provide the structure for the HNA.
17. Below we set out the RQs relevant to this study, as discussed and agreed with Lenham

4.1.1 Tenure and affordability

18. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
19. This evidence will allow Lenham to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

4.1.2 Type and size

20. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
21. The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

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

4.2 Relevant Data

4.2.1 Local authority evidence base

22. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Lenham Neighbourhood Area is located within Maidstone's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is the Maidstone Strategic Housing Assessment (Jan 2014, henceforth SHMA14)⁶ and then the Joint Strategic Housing Assessment update (June 2015)⁷ which covers Tonbridge and Malling Borough Council, Maidstone Borough Council and Ashford Borough Council. The SHMA is an important evidence base to help guide housing market need and mix and type of units required, but data from the Housing Register is also important as this helps to determine affordable rented housing need. Review of the SHMA is currently being undertaken with first draft updates due shortly; therefore policy officers at Maidstone stated that this could alter the picture.
23. The SHMA14 identified Lenham as falling within the Maidstone Rural East Sub-market Area, which will be referred to throughout this report to provide additional evidence.
24. For the purpose of this HNA, data from MBC's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area, and has been referenced as appropriate.

⁶ Available at http://www.maidstone.gov.uk/_data/assets/pdf_file/0007/44656/Strategic-Housing-Market-Assessment-2014.pdf

⁷ Available at https://www.tmbc.gov.uk/_data/assets/pdf_file/0003/190452/SHMA_Update_Report_170615.pdf

4.2.2 Other relevant data

25. In addition to the MBC evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Land Registry data on prices paid for housing within the local market;
- Population and household projections produced by the Office of National Statistics (ONS);
- Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk); and
- Valuation Office Agency (VOA) data on local housing stock by dwelling type.

5. RQ 1: Tenure and Affordability

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

5.1 Introduction

26. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
27. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.⁸

5.2 Definitions

28. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.⁹ To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
29. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
30. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
31. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,¹⁰ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

5.3 Current tenure profile

32. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 5-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Lenham, compared to the rest of Maidstone and England.

⁸ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁹ NPPF 2019.

¹⁰ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

33. Table 4-1 below highlights that the majority of properties in Lenham are owned outright (76.4%), which is higher than Maidstone (70.5%) and England (63.3%). For the remaining tenures, Lenham has a lower proportion than Maidstone and England. This is most evident for Social rented (9.8%) and private rented (11.4%) compared to Maidstone (12.7% and 14.6%).

Table 5-1: Tenure (households) in Lenham, 2011

Tenure	Lenham	Maidstone	England
Owned; total	76.4%	70.5%	63.3%
Shared ownership	0.8%	1.1%	0.8%
Social rented; total	9.8%	12.7%	17.7%
Private rented; total	11.4%	14.6%	16.8%

Sources: Census 2011, AECOM Calculations

34. In Table 5-2, we note the changes in the way households occupied their homes during the intercensal period. It highlights that shared ownership has grown significantly over this period; however, this was from an extremely low base (from 3 to 11 dwellings). The private rented sector has also seen significant growth (76.1%), with numbers rising from 92 to 162. This could correlate with the findings from the section on affordability below, as over the same period the affordability ratio has increased, which would reflect the increase in private rented dwellings. The number of social dwelling has however decreased (-12%), whereby in Maidstone, this figure has increase (12.9%).

Table 5-2: Rates of tenure change in Lenham, 2001-2011

Tenure	Lenham	Maidstone	England
Owned; total	2.3%	2.6%	-0.6%
Shared ownership	266.7%	152.3%	30.0%
Social rented; total	-12.0%	12.9%	-0.9%
Private rented; total	76.1%	150.2%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

5.4 SHMA findings

35. The SHMA14 states that the 'Maidstone Rural East Area' that Lenham falls within is mainly made up of owner occupied properties (78.1%), social rent (8.2%), Shared Ownership (0.6%), Private rent (10.8%) and (1.9%). This is generally in line with the findings from the NA in terms of tenure in Table 5-1 above.

5.5 Affordability

36. Having reviewed both the tenure of the existing housing stock in Lenham and the key findings of the SHMA, we now turn to assessing future provision over the Neighbourhood Plan period.
37. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

5.5.1 House prices

38. In line with PPG¹¹, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio¹² (LQAR) and the Median Affordability Ratio¹³ (MAR). While this is a relatively crude measure of affordability, as it does not take account

¹¹ See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

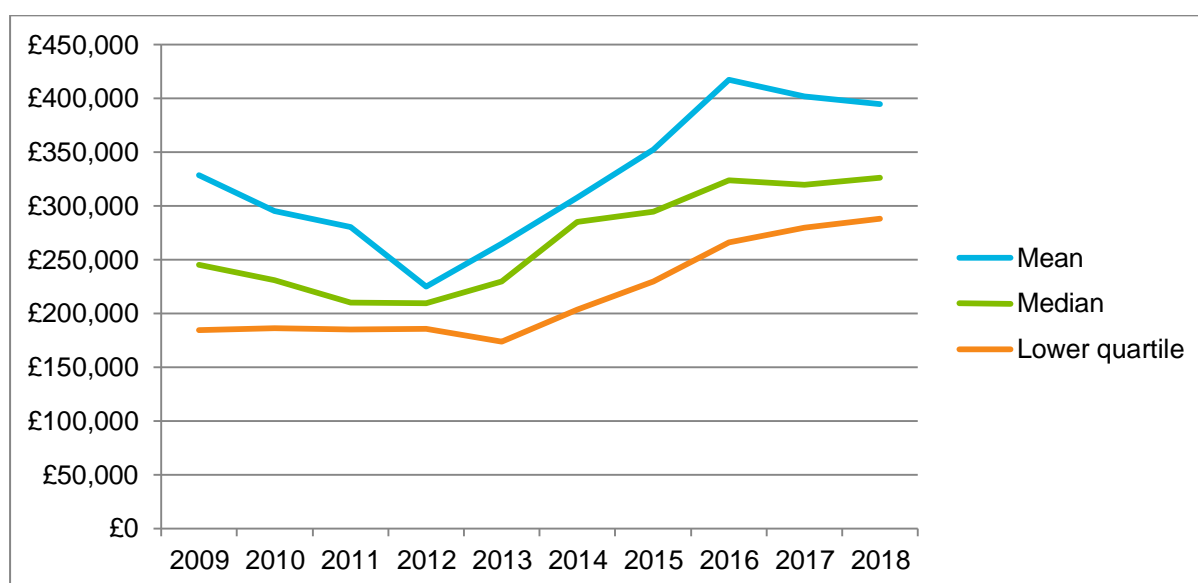
¹² See Glossary in Appendix.

¹³ See Glossary in Appendix.

of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time. Furthermore, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁴

39. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as equating to one or two-bedroom flats/houses.
40. Figure 5-1 below looks at selected measures of house prices in Lenham. It shows that house prices have risen over the 10 year period, for mean, median and the lower quartile measurements. The mean house price has risen by 2% from 2009 to 2018, with the peak mean house prices being achieved in 2016 (£417,293), but decreasing slightly up until 2018 (£394,866). Median house prices, which have seen a 33% increase, also follow a very similar trend. However, the highest value is seen in 2018 (£326,500). In terms of the lower quartile house prices, again a similar pattern can be seen. Prices saw a slight dip in 2013 (£173,500) but a steady increase from 2014– 2018 is evident, reaching their maximum level in 2018 (£288,125).

Figure 5-1: House prices in Lenham between 2009 and 2018



Source: Land Registry Price Paid Data

41. Table 5-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that terraced homes have seen the largest increase over the period, from £160,571 to £314,636, which is a 95% growth. This is followed by semi-detached dwellings which have seen a 70.3% rise from £201,000 to £342,209 in 2018.
42. Both flats and detached properties have seen a decrease in house prices over this period. Flats have seen the largest decrease (-29.9%), from £289,400 to £202,750. Detached properties have seen a slight decrease (-1.6%) from £459,946 to £452,522. However, the price of detached properties significantly dropped in 2012 whereby the local property market rose significantly in 2016 to reach its peak and slowly levelling out from 2016-2018. This is supported by looking at all types of housing data.

¹⁴ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Table 5-3: House prices by type in Lenham, 2009-2018

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£459,946	£455,357	£479,571	£320,195	£365,944	£418,905	£462,095	£493,840	£481,841	£452,522	-1.6%
Semi-detached	£201,000	£223,235	£217,673	£207,717	£241,767	£259,136	£271,513	£308,196	£394,111	£342,209	70.3%
Terraced	£160,571	£233,589	£220,300	£212,500	£218,533	£226,895	£278,523	£278,875	£330,114	£314,636	95.9%
Flats	£289,400	£134,167	£174,750	£182,389	£219,733	£184,393	£233,778	£272,667	£306,333	£202,750	-29.9%
All Types	£328,391	£295,485	£280,551	£224,928	£264,844	£307,540	£352,276	£417,293	£401,660	£394,866	20.2%

Source: Land Registry Price Paid Data

5.5.2 Income

43. Household income determines the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used average household income estimates published by ONS¹⁵ at the level of the Middle-layer Super Output Area (MSOA)¹⁶, which is the closest proxy to the parish boundary, for which data is not available. In the case of Lenham the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02005078, also known as Maidstone 011. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
44. The average net annual household income before housing costs (equalised) across Maidstone 011 in 2016/17 was £36,000, while the average total annual income was £48,400.¹⁷
45. For the purposes of this HNA, given the inaccessibility of household income data at the neighbourhood level, data from the Annual Survey of Hours and Earnings¹⁸ available for Maidstone from 2018 has been utilised. The Lower Quartile annual income was £ 21,838. The annual median income was £ 30,107.
46. From this, it is possible to generate an estimated LQAR¹⁹ of 13.2 (rounded) and a MAR²⁰ of 10.8 (rounded) in 2018. This compares to an estimated LQAR of 9.5 (rounded) and a MAR of 8.4 (rounded) in 2008. This data shows that the affordability of housing in Lenham has worsened in the period between 2008 and 2018.

5.6 Affordability Thresholds

47. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase Thresholds (PT) denote the standard household income needed to access mortgage products, and Income Thresholds (IT) denote the maximum share of a family's income that should be spent on accommodation costs. The PT is particularly helpful for understanding the affordability of market homes.
48. We have determined thresholds for: market purchase; Private Rented Sector (PRS); shared ownership at each of three levels- 25%, 50%, and 75%; affordable rent set at 80% of market rent (Maidstone require affordable rents to be capped to Local Housing Allowance levels if the 80% of the market rent exceeds this, which in this circumstance it does not), and estimated social rent levels across Lenham. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations. Table

¹⁵ Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

¹⁶ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

¹⁷ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

¹⁸ ONS (2018) available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2018>

¹⁹ Lowest quartile house price divided by lowest quartile annual gross earnings

²⁰ Median house price divided by median annual gross earnings

5-4 below shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Lenham.

Table 5-4: Affordability thresholds in Lenham (income required, £)

Tenure	Cost of purchase	Annual rent	Income required
Entry-level market sale	£288,125	N/A	£74,089
Shared ownership (75%)	£216,093.75	£5402.3	£62,770.1
Starter homes	£207,450	N/A	£59,271
Entry-level market rent	NA	£9,750	£39,000
Shared ownership (50%)	£144,062.50	£3,601.6	£51,450.85
Shared ownership (40%)	£115,250	£4,322	£45,781
Shared ownership (25%)	£72,031.25	£5402.3	£40,131.50
Affordable rent	N/A	£7,800	£31,200
Social rent - 3 bed dwelling	N/A	6,042.40	24,169.60
Social rent - 2 bed dwelling	N/A	5,293.60	21,174.40

Source: AECOM Calculations

49. The income required to afford the different tenures is then benchmarked against two measurements of household income: firstly the median annual household income and secondly the lower quartile household income for the Neighbourhood Plan area set out above. These are £ 30,107 and £21,838 respectively.
50. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale (i.e. the PT) is insufficient for those on median household incomes. The income required to buy an average entry-level home for sale is insufficient for those on lower quartile household incomes.
51. Turning to properties for purchase through the Starter Homes and Shared Ownership tenures, i.e. those aimed at people on lower quartile incomes, the PT is likewise insufficient to meet their needs.
52. Finally, the inability of those on lower quartile incomes to afford entry-level market rents, affordable rent and social rent suggests that these tenures are a more affordable route to home ownership. However, only those on median incomes will be able to afford social rent dwellings.
53. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.²¹. In the case of Lenham, the table above suggests that the most appropriate tenures to help implement this policy goal locally would be affordable and social rent.
54. Of the 1145 dwellings that Maidstone Borough Council indicates should be provided in Lenham over the Neighbourhood Plan period, adopted local policy indicates that 458 (40%) should be affordable.
55. The Maidstone SHMA proposes an affordable housing tenure split for the 'Rural East' sub-area of 39% Social, 34% Affordable Rent and 27% intermediate tenures. However, on the basis of the more localised and more recent evidence considered within this Housing Needs Assessment, i.e. that intermediate tenures in Lenham are not affordable and there is a comparatively high level of need for Social Rented accommodation, a tenure split closer to 80% Social and Affordable Rent and 20% intermediate tenures may be more appropriate.
56. In order to further clarify the precise nature and extent of future need for these tenures, which can be difficult to establish in rural areas using secondary data, the Neighbourhood Forum may wish to conduct a household survey, though it should be noted that this would probably be considered optional for the purposes of neighbourhood planning, where significant primary data-gathering is not normally expected in terms of developing a proportionate evidence base.

²¹ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

57. In line with Paragraph 64 of the NPPF, at least 10% of the homes provided in a development²² should be available for affordable home ownership. In terms of the tenure mix within this 10%, the analysis above suggests that in Lenham none of the routes to home ownership are deemed affordable, as they are all out of reach for those on the lowest income quartile.
58. The NPPF also specifies that exceptions to the 10% affordable home ownership requirement are permissible when such development will “significantly prejudice the ability to meet the identified affordable housing needs of specific groups”- in other words, in cases where the development of dwellings for affordable home ownership would reduce the provision of other types of affordable housing such as social and affordable rented homes. Based on the findings of this chapter, there is evidence that going beyond the 10% threshold in Lenham would prejudice the provision of much needed affordable rented homes.
59. Given the evidence reviewed here, particularly the affordability pressures present for households on lower incomes, the Neighbourhood Plan may be justified in seeking to raise the provision of AH above the level mandated in the emerging Local Plan policies. However, in addition to homes for Social Rent, Lenham would benefit strongly from the provision of further affordable routes to home ownership, such as Starter Homes and shared ownership options. Of the market housing to be delivered, the focus should be on entry level dwellings at the smaller end of the size spectrum.

5.7 Lenham Housing Needs survey findings (2016)

60. The overall summary of the need for Affordable Housing and Help to Buy equity loan. The survey has found a need for up to 29 homes for local people who are in need of affordable housing; they are 15 single people, 6 couples and 8 families. 9 of the households need housing now, 13 in the next 2 years and 7 in the next 5 years.
61. The 29 respondents in need of affordable housing indicated strong local connections to the parish of Lenham; 25 currently live in the parish and 4 live outside but want to return.
62. 16 respondents are currently living with relatives, 5 are renting privately, 5 are housing association tenants, 1 is an owner occupier, 1 is a council tenant and 1 has housing linked to their job.
63. In total there are 40 adults and 12 children who have a need for affordable housing. 5 of the households said they are an older person/household that wants to downsize/move to more suitable housing. Other reasons for seeking a new home are; present home too expensive, retirement, disability/disabled, access problems, accommodation goes with job. 2 households are currently renting privately, 1 is an owner occupier, 1 is a housing association tenant and 1 has housing linked to their job. 4 want to rent from a housing association and 1 wants an alms house. The older people require the following type of housing:
- Bungalow x 1
 - Flat x 1
 - Flat/bungalow x 1
 - Flat/bungalow/sheltered housing x 1
 - Sheltered housing x 1
64. The remaining 24 households said they require the following number of bedrooms:
- 8 x 1 bed
 - 10 x 2 bed
 - 5 x 3 bed
 - 1 x 4 bed
65. Actual size of property respondents would be eligible for in a housing association rented property will depend upon the council's allocation policy, see below.
66. A number of respondents indicated an interest in shared ownership, starter homes, help to buy equity loans. However, analysis of income and deposit available showed that only the following households could currently afford any of these tenures:

²² The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

- 1 x starter home
 - 1 x shared ownership
67. Taking into account, the council's allocation policy and affordability of other tenures the mix of accommodation required is:
68. Rented accommodation (HA):
69. 21 x 1 bed (5 for older people)
- 5 x 2 bed
 - 2 x 3 bed
70. Shared ownership:
- 1 x 2 bed
71. Starter home:
- 1 x 2 bed
72. To be able to apply for affordable rented housing from a housing association, it is necessary for applicants to be registered on the Maidstone Borough Council housing register. The majority of respondents who need this type of housing are not currently registered and they would have to fulfil the council's criteria to be able to register. 10 of the respondents indicated a category of housing need listed in Q18 of the survey. All respondents would need to apply to the register for an assessment of eligibility.

5.8 Conclusions- Tenure and Affordability

73. The income required to afford the different tenures of home available has been benchmarked against Lenham's median annual household income of £30,107 and lower quartile income of £21,838. Households earning lower quartile incomes can only afford to occupy the Social Rent tenure. Lower earning households need to be supported through the provision of this more affordable tenure.
74. Data shows that 9.8% of households in Lenham currently occupy the Social Rent tenure. It is evident from Table 5-4 that only those on median earnings in Lenham would be able to afford this form of home ownership. Together with the fact that 26 households in Lenham are classified as concealed in the 2011 Census,²³ this suggests that there may be unmet need for Social Rented accommodation, and so it is recommended that it form part of the tenure mix.
75. Households earning a median income in Lenham can also only afford to occupy social rented tenure, This observation is unsurprising given that detached and semi-detached homes, which tend to be the most expensive types, make up the majority of Lenham's existing stock. The provision of smaller entry-level dwellings, as is recommended in the analysis of type and size below, would help to expand a tenure category that could help affordability issues.
76. Of the 1145 dwellings that Maidstone Borough Council indicates should be provided in Lenham over the Neighbourhood Plan period, adopted local policy indicates that 458 (40 %) should be affordable.
77. The Maidstone SHMA proposes an affordable housing tenure split for the 'Rural East' sub-area of 39% Social, 34% Affordable Rent and 27% intermediate tenures. However, on the basis of the more localised and more recent evidence considered within this Housing Needs Assessment, a tenure split closer to 80% Social and Affordable Rent and 20% intermediate tenures may be more appropriate.
78. In order to further clarify the precise nature and extent of future need for these tenures, which can be difficult to establish in rural areas using secondary data, the Neighbourhood Forum may wish to conduct a household survey.

²³ Concealed families are young adults living with a partner and/or children in the same household as their own parents. This is typically interpreted as evidence that these families are unable to move out and form their own independent households.

6. RQ 2: Type and Size

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

6.1 Introduction

80. The Lenham Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
81. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Lenham. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

6.2 Existing types and sizes

6.2.1 Background and definitions

82. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
83. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
84. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows²⁴:
 - 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 3, 4 or more bedrooms
85. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²⁵ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

²⁴ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁵ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

86. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."²⁶ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

6.2.2 Dwelling type

87. The 2011 Census shows that there were 29.7% households in Lenham living in detached houses, 39.3% semi-detached, and 22.3% terraced houses, and 6.6% flats. Compared with the LPA, Maidstone Borough comprises 25.6% detached houses, 33.5% semi-detached, 24% terraced houses, and 13.3% flats. (Table 6-1 below). The main points of difference are the lower proportion of flats and terraced properties in the parish compared to Maidstone and the larger percentage of semi-detached and detached properties.

Table 6-1: Accommodation type (households), Lenham 2011

Dwelling type		Lenham	Maidstone	England
Whole house or bungalow	Detached	29.7%	25.6%	22.4%
	Semi-detached	39.3%	33.5%	31.2%
	Terraced	22.3%	24.0%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	6.6%	13.3%	16.4%
	Parts of a converted or shared house	0.5%	2.1%	3.8%
	In commercial building	1.1%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

6.2.3 Dwelling size

88. Table 6-2 below sets out the distribution of the number of rooms by household space. The housing stock in Lenham is characterised by mainly 5 and 6 room dwellings, which collectively make up 49.7% of dwellings, which is slightly higher than in Maidstone (43.3%). There are fewer 1-4 room properties in Lenham (19.3%), compared to Maidstone (29%). This highlights that, generally speaking, properties in Lenham are larger than those in the rest of the borough.

Table 6-2: Number of rooms per household in Lenham, 2011

Number of Rooms	2011 Lenham (%)	2011 Maidstone v
1 Room	0.0	0.5
2 Rooms	0.7	2.4
3 Rooms	4.9	8.3
4 Rooms	13.7	17.8
5 Rooms	27.2	23.0
6 Rooms	22.5	20.3
7 Rooms	12.8	12.1
8 Rooms or more	7.9	7.5
9 Rooms or more	10.3	8.1

Source: ONS 2011, AECOM Calculations

²⁶ Ibid.

89. It is also relevant to consider how the number of rooms occupied by households in Lenham changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that on the whole smaller dwellings have decreased in presence, or have risen at a less significant rate, than larger dwellings. Both 1 and 2 room properties have decreased significantly, although 1 room dwellings went from six to zero properties, and 2 room dwellings have dropped from 28 to 10 dwellings. The largest difference between Lenham and Maidstone can be noted in 2-4 room dwellings, where Maidstone has seen a fairly large increase in this size of property, unlike Lenham. Additionally at the other end of the spectrum, in Lenham dwellings that are 6 + rooms have seen a significant increase with 8+ room dwellings seeing the largest increase (30.8%) compared to Maidstone (23.2%).

Table 6-3: Rates of change in number of rooms per household in Lenham, 2001-2011

Number of Rooms	Lenham	Maidstone	England
1 Room	-100.0%	-24.1%	-5.2%
2 Rooms	-64.3%	57.5%	24.2%
3 Rooms	11.1%	42.8%	20.4%
4 Rooms	2.6%	13.7%	3.5%
5 Rooms	-15.1%	1.3%	-1.8%
6 Rooms	15.1%	5.6%	2.1%
7 Rooms	26.4%	12.9%	17.9%
8 Rooms or more	30.8%	23.2%	29.8%

Source: ONS Censuses 2001-2011, AECOM Calculations

90. LPA Annual Monitoring data²⁷ shows the types and sizes of dwellings granted planning permission in Maidstone in the last monitoring year available at the time of writing (2017/18). It reveals that the majority of dwellings that have been granted planning permission in the last monitoring year are 2 and 3 bedroom dwellings, making up 53.5% of the overall permissions. These are slightly smaller than the average size of dwellings currently found in Lenham.

²⁷ Available at http://www.maidstone.gov.uk/_data/assets/pdf_file/0006/235455/Annual-Monitoring-Report-2017-18-December-2018.pdf
pg. 42

Figure 6-1: Annual monitoring report – dwelling type and size completed in last monitoring year

	All dwelling types		Market			Affordable		
	2017/18		2017/18	SHMA 2014	Difference	2017/18	SHMA 2014	Difference
1 Bedroom	402	16.3%	20.0%	5% to 10%	17% to 12%	17.2%	30% to 35%	-12.8% to 17.8%
2 Bedrooms	550	22.3%	23.8%	30% to 35%	-6.2% to 11.2%	47.3%	30% to 35%	17.3% to 12.3%
3 Bedrooms	525	21.2%	25.9%	40% to 45%	-14.1% to -19.1%	33.1%	25% to 30%	8.1% to 3.1%
4+ Bedrooms	438	17.7%	28.3%	15% to 20%	13.3% to 8.3%	2.5%	5% to 10%	-2.5% to -7.5%

Source: MBC AMR 2017/18

6.3 SHMA findings

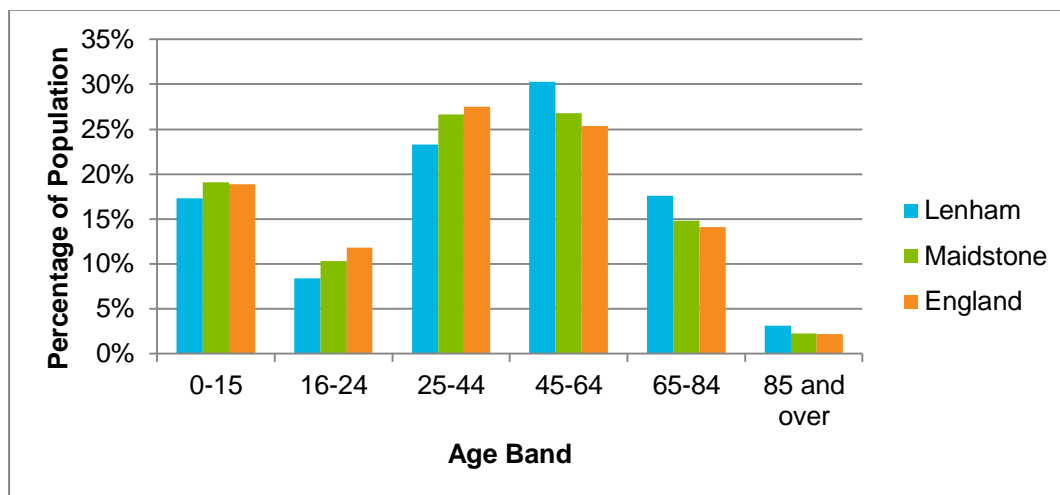
91. Figure 5-1 above shows the SHMA14 recommendations alongside the permissions granted. On the whole, this constitutes evidence that there are slightly fewer 2 and 3 bedroom properties being granted permissions than were recommended in the SHMA, while at the same time a larger proportion of permissions are being granted for 1 bedroom and 4+ bedroom properties than recommended.

6.4 Household composition and age structure

92. We have now established the current stock profile of Lenham and identified recent changes in its composition. The evidence assembled below now examines the composition and age structure of households both in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing that may be needed in the Neighbourhood Plan area by the end of the planning period.

6.4.1 Age structure

93. The 2011 Census data reveals that the population of Lenham has a high number of elderly residents. Those residents falling within the 45+ age groups are significantly higher than in Maidstone and the rest of England. The opposite can be seen for the younger residents aged 0-44, whereby the percentage of residents is less than in Maidstone and England. The age group with the most significant difference is the 45-64 age group, whereby 30% of the population is within this group in Lenham, compared to 27% in Maidstone and 25% in England. (see Figure 6-2 below).

Figure 6-2: Age structure in Lenham, 2011

Source: ONS 2011, AECOM Calculations

94. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001, the Lenham population has seen a significant rise in those aged 85 and over (60.8%), compared to Maidstone (32.3%) and the rest of England (23.7%). Within this broader picture, a similar increase, although less significant, can be seen for those aged 45-64 and 65-84, although this is at a slower rate of increase than can be seen in Maidstone and England. Lenham is the only geography that has seen a decrease in particular age groups, with the largest decrease being in those ages 25-44 (-9.5%), whereby Maidstone has seen an increase of 4% and England an increase of 1.4%. The second largest difference in the table after those aged 85+ is the 16-24 age bracket. Here, Lenham has seen a slight decrease (-2.1%) when Maidstone (15.2%) and England (17.2%) have seen a significant increase. (see Table 6-4 below).

Table 6-4: Rate of change in the age structure of Lenham population, 2001-2011

Age group	Lenham	Maidstone	England
0-15	-4.7%	8.7%	1.2%
16-24	-2.1%	15.2%	17.2%
25-44	-9.5%	4.0%	1.4%
45-64	9.4%	14.1%	15.2%
65-84	10.8%	21.8%	9.1%
85 and over	60.6%	32.3%	23.7%

Source: ONS 2001-2011, AECOM Calculations

6.4.2 Household composition

95. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

In assessing Census data on household composition, we see that Lenham differs from the LPA in that there are a larger proportion of residents who reside in one person households and are aged 65 + (15%) compared to Maidstone (11.5%) and England (12.4%).

It can also be noted that there is a smaller percentage of those with dependent children in Lenham (24.7%) compared to Maidstone (28.4%) and England (26.5%).

Table 6-5: Household composition (by household), Lenham, 2011

Household composition		Lenham	Maidstone	England
One person household	Total	25.9%	25.9%	30.2%
	Aged 65 and over	15.0%	11.5%	12.4%
	Other	11.0%	14.4%	17.9%
One family only	Total	68.1%	67.7%	61.8%
	All aged 65 and over	11.0%	9.4%	8.1%
	With no children	20.9%	20.2%	17.6%
	With dependent children	24.7%	28.4%	26.5%
	All children Non-Dependent	11.5%	9.6%	9.6%
Other household types	Total	6.0%	6.4%	8.0%

Source: ONS 2011, AECOM Calculations

96. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were the minor level of growth in one person households in Lenham (4.5%) compared to Maidstone (12.8%) and England (8.4%); this could be as a result of the more significant decrease in one person households over the age of 65+ in Lenham (-6.6%) compared to Maidstone (-2.2%). Additionally, those people residing in family households who are aged 65+ has also seen a decrease in Lenham (-1.3%) compared to a fairly notable increase in Maidstone (9%). There has been a fairly significant increase in one family households with all children non-dependent In Lenham (16.3%) compared to Maidstone (6.5%) and England (10.6%), which could further indicate that there are affordability issues in the parish, as younger people cannot afford to leave their parents' home. (see Table 6-6 below).

Table 6-6: Rates of change in household composition, Lenham, 2001-2011

Household type		Percentage change, 2001-2011		
		Lenham	Maidstone	England
One person household	Total	4.5%	12.8%	8.4%
	Aged 65 and over	-6.6%	-2.2%	-7.3%
	Other	24.8%	28.6%	22.7%
One family only	Total	1.7%	10.1%	5.4%
	All aged 65 and over	-1.3%	9.0%	-2.0%
	With no children	0.3%	8.8%	7.1%
	With dependent children	-1.7%	12.8%	5.0%
	All children non-dependent	16.3%	6.5%	10.6%
Other household types	Total	46.6%	41.0%	28.9%

Source: ONS 2001-2011, AECOM Calculations

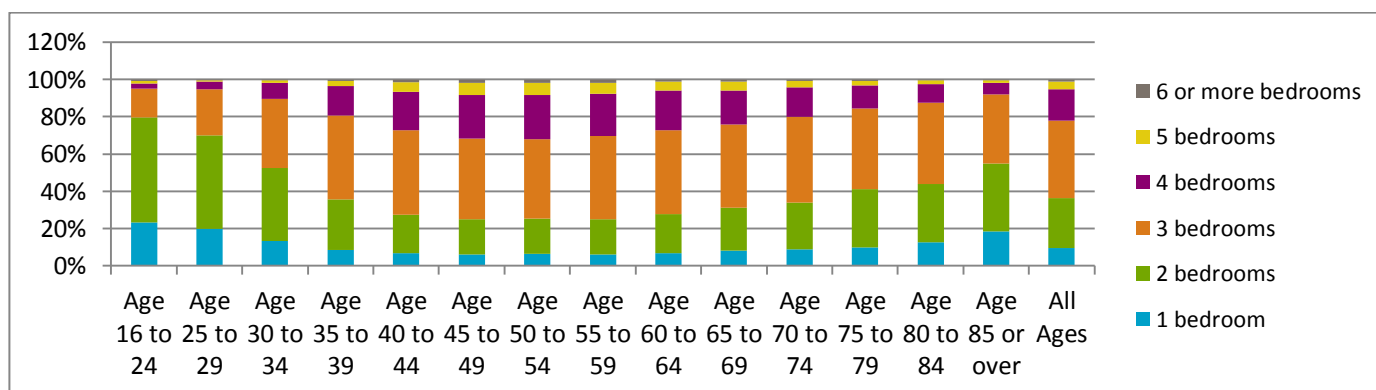
6.5 Dwelling mix determined by life-stage modelling

97. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period, we adopt an approach based on the reasonable assumption that current

occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in single person households aged over 65 will lead to an increase in the need for the type of housing currently occupied by single person households of that age.

98. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
99. Figure 6-3 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that the majority of the younger residents occupy 1-2 bedroom properties. This begins to change for those aged 35-39 where there is a noticeable increase in the number of 3-4 bedrooms per household. This increase in 3+ bedrooms continues for those up to 50-55 years old. After this point, the number of bedrooms begins to decrease again for those aged 60+, presumably once younger children have grown up and left the family home.

Figure 6-3: Age of household reference person by dwelling size in Lenham, 2011



Source: ONS 2011, AECOM Calculations

100. We then use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2031, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 6-7 below.

Table 6-7: Projected distribution of households by age of HRP, Maidstone

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,711	8,289	11,328	11,472	16,878
2014	1,737	8,708	11,515	13,848	30,576
2031	2,156	8,739	12,283	15,740	41,874
2039	2,353	8,754	12,658	16,630	47,190

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

101. At this point, it is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Lenham. To do so, the percentage of increase expected for each group across Maidstone derived from the data presented above was mapped to the population of Lenham. The results of this calculation are detailed in Table 6-8 below.

Table 6-8: Projected distribution of households by age of HRP, Lenham

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	17	81	561	301	464
2014	17	85	572	364	840
2031	21	85	809	415	1151

Source: AECOM Calculations

102. Then, to complement the two stages above, in Table 6-9 below we set out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Maidstone in 2031.

Table 6-9: Age of household reference person to size, grouped, Maidstone, Census 2011

Size	Age of HRP 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	402	1,339	1,732	759	1,845
2 bedrooms	962	3,645	5,298	2,285	4,803
3 bedrooms	260	2,626	11,048	5,114	7,312
4 bedrooms	49	545	5,300	2,533	2,264
5+ bedrooms	38	134	1,716	781	654

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

103. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Maidstone and Lenham falling into each of these stages by the end of the Plan period in 2031, it is now possible to recommend how the housing stock should evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see Table 6-10 below).

Table 6-10: Ideal dwelling size distribution in Maidstone by the end of the Plan period, based on modelled household life-stages

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring each dwelling size
Pop. 2031	21	85	809	415	1151	2481
1 bedroom	5	14	56	27	126	228
2 bedrooms	12	37	171	83	328	630
3 bedrooms	3	27	356	185	499	1,070
4 bedrooms	1	6	171	92	154	423
5+ bedrooms	0	1	55	28	45	130

Source: Census 2011, AECOM Calculations

It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 6-10 above modelling the change in the age structure of the population in Lenham.

104. Table 6-11 below indicates that, by 2031, the size distribution of dwellings should be as follows:

Table 6-11: 2011 housing sizes compared to ideal distribution at end of Plan period, Lenham

Number of bedrooms	2011		2031	
1 bedroom	155	10.9	228	9.2
2 bedrooms	406	28.5	630	25.4
3 bedrooms	617	43.3	1,070	43.1
4 bedrooms	191	13.4	423	17.1
5 or more bedrooms	56	3.9	130	5.2
Total households	1,424	100%	2481	100%

Source: Census 2011, AECOM Calculations

105. The interim result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand, 10% of dwellings in new developments should have 1 bedroom, 25 % should have two bedrooms, 45% should have three bedrooms, 15% should have four bedrooms and 5% should be of 5 or more bedrooms.

6.5.1 Adjustment of model results

106. However, it is important to caveat the result of this model, because it is based on past trends and existing supply. Future supply, not just demographic profile, can influence occupancy patterns. For instance, it may be that the construction of smaller bungalows would encourage older people to downsize, but in the absence of such accommodation, these older households will remain in their larger five-bedroom homes. For this reason, we verify the results further with respect to occupancy trends at the national level. This would give the following split:

Table 6-12: Nationally-adjusted future potential misalignments of supply and demand for housing, Lenham

Number of bedrooms	2018	2031	Change to housing mix	Recommended split
1 bedroom	155	228	73	10%
2 bedrooms	406	630	224	20%
3 bedrooms	617	1,070	453	50%
4 or more bedrooms	247	553	306	20%

Source: AECOM Calculations

107. In order to avoid misalignment between supply and demand and to re-equilibrate the stock, we recommend that 10% of houses in new developments be one-bedroom homes, 20% two-bedroom, 50% three-bedroom and 20% four-bedroom. Most of the need will be for one, two and three-bedroom homes and there will be a lesser need to build further large properties with four or more bedrooms.
108. The type of home (detached, semi-detached, terraced or flat) is more a matter of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet local needs, based on the current stock and recent transactions, are (smaller) semi-detached and detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population

6.6 Conclusions- type and size

109. Homes in Lenham are mostly medium and large in size, and this reflects the housing distribution of the District as a whole. Recent trends suggest that medium sized homes are in high supply in the parish, as there has been a significant increase in the amount of these homes delivered over the intercensal period. Meanwhile, there has been a slight reduction in the amount of smaller properties available in the parish, which is in contrast to the steady growth of smaller properties in the wider District.

110. The greatest increase over the intercensal period has been in the number of households living in dwellings of 6-7 rooms, which equates to 3-4 bedroom homes. However, we also note the slight reduction in the amount of smaller properties available in the parish, which is in contrast to the steady growth of small properties in the wider District, and suggests that supply of smaller dwellings may not be keeping pace with demand.
111. Whilst an analysis of property types and sizes in the intercensal period suggest that there is an increasing supply of medium to large properties in the parish (5 rooms or more/3 bedrooms or more), it is evident from the life-stage modelling that demand for slightly smaller (2-3 bedroom) homes may increase significantly due mainly to a growing older population. Given the current stock, to avoid any misalignment, about 70% of new homes should be between 2 and 3 bedrooms, while 20% should be 4 bedrooms or more.
112. Whilst the demand for three-bedroom homes will remain significant, it is important to acknowledge that building slightly more 1 or 2 bedroom properties will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate.
113. As a result of existing larger homes being made available due to older households downsizing, it is therefore recommended, if possible, to encourage even more 1, 2 and 3 bedroom homes than our recommendation/life stage modelling suggests.
114. The overall weighted conclusion is that to satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, it is recommended that **around 50% of houses in new developments should be three-bedroom homes, around 30% should be two-bedroom homes and around 10% should be one-bed homes, with the reminding 10% being four+ bedrooms.**
115. Bungalows appeal to older people and this particular type of housing should also be encouraged to meet the needs of a growing elderly population.

7. Conclusions

7.1 Overview

116. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings specific to Lenham with a potential impact on Neighbourhood Plan housing policies

Issue	Evidence	Conclusion
Tenure and Affordability	<p>The majority of properties in Lenham are owned outright, to a greater extent than Maidstone and England. For the remaining tenures Lenham has a lower proportion than Maidstone and England. This is most evident for social rented and private rented compared to Maidstone.</p> <p>Shared ownership grew significantly over the intercensal period; however this was from an extremely low base. The private rented sector has also seen significant growth. This could correlate with findings on affordability, as over the same period the affordability ratio has increased, which would reflect the increase in private rented dwellings. The number of social dwellings has at the same time decreased, whereby across Maidstone, it has increased.</p> <p>House prices have risen over the last ten years at mean, median and lower quartile. Prices saw a slight dip in 2013 but a steady increase from 2014– 2018 is evident, reaching a maximum in 2018 (£288,125).</p> <p>Terraced homes have seen the largest increase in price over the period (95% growth). This is followed by semi-detached dwellings which have seen a 70.3% rise. Both flats and detached properties have seen a decrease in price over this period. Flats have seen the largest decrease.</p> <p>The median annual household income and lower quartile household income for Lenham have been calculated to be £30,107 and £21,838 respectively.</p>	<p>The income required to afford the different tenures of home available has been benchmarked against Lenham's median annual household income of £30,107 and lower quartile income of £21,838. Households earning lower quartile incomes can only afford to occupy the Social Rent tenure. Lower earning households need therefore to be supported through the provision of this more affordable tenure.</p> <p>Data shows that 9.8% of households in Lenham currently occupy the Social Rent tenure. However, only those on median earnings in Lenham would be able to afford this form of home ownership. Together with the fact that 26 households in Lenham are classified as 'concealed' in the 2011 Census, this suggests that there may be unmet need for social rented accommodation, and so it is recommended that it form part of the tenure mix.</p> <p>Households earning a median income in Lenham can also only afford to occupy social rented tenure. The provision of smaller entry-level dwellings, as is recommended in the analysis of type and size below, would help to expand a tenure category that could help affordability issues.</p> <p>Of the 1145 dwellings that Maidstone Borough Council indicates should be provided in Lenham over the Neighbourhood Plan period, adopted local policy indicates that 458 (40 %) should be affordable.</p> <p>On the basis of the evidence considered within this Housing Needs Assessment, an affordable housing tenure split of 80% Social and Affordable Rent and 20% intermediate tenures may be more appropriate.</p> <p>In order to further clarify the precise nature and extent of future need for these tenures, the Neighbourhood Forum may wish to conduct a household survey.</p>

Issue	Evidence	Conclusion
<p>Type and size</p>	<p>The main points of difference with Maidstone are the fewer number of flats and terraced properties in the parish and the larger percentage of semi-detached and detached properties.</p> <p>Generally speaking, properties in Lenham are large than those in the rest of the borough.</p> <p>On the whole, between 2001 and 2011, smaller dwellings decreased, or have risen at a less significant rate than larger dwellings. Both 1 and 2 room properties have decreased significantly. The largest difference between Lenham and Maidstone can be noted in 2-4 room dwellings, where Maidstone has seen a fairly large increase in each size of property, unlike Lenham. In Lenham dwellings of 6+ rooms have seen a significant increase and 8+ room dwellings seeing the largest increase compared to Maidstone.</p> <p>Since 2001 the parish population has seen a significant rise in those aged 85 and over compared to Maidstone and the rest of England. Lenham has seen a decrease in those aged 25-44 (-9.5%), whereby Maidstone and England have seen increases.</p> <p>In Lenham there is a high proportion of residents who reside in one person households and are aged 65 + (15%) compared to Maidstone (11.5%) and England (12.4%). There is also a smaller percentage of those with dependent children in Lenham (24.7%) compared to Maidstone (28.4%) and England (26.5%).</p>	<p>Whilst an analysis of property types and sizes in the intercensal period suggest that there is an increasing supply of medium to large properties in the parish (5 rooms or more/3 bedrooms or more), it is evident from the life-stage modelling that demand for slightly smaller (2-3 bedroom) homes may increase significantly due mainly to a growing older population. Given the current stock, to avoid any misalignment, about 70% of new homes should be 2 or 3 bedroom, while 20% should be 4+ bedrooms.</p> <p>Whilst the demand for three-bedroom homes will remain significant, it is important to acknowledge that building slightly more 1 or 2 bedroom properties will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate.</p> <p>As a result of existing larger homes being made available due to older households downsizing, it is therefore recommended, if possible, to encourage even more 1, 2 and 3 bedroom homes than our recommendation/ life stage modelling suggests.</p> <p>The overall weighted conclusion is that to satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, it is recommended that around 50% of houses in new developments should be three-bedroom homes, around 30% should be two-bedroom homes and around 10% should be one-bed homes, with the reminding 10% being four+ bedrooms.</p> <p>Bungalows appeal to older people and this particular type of housing should also be encouraged to meet the needs of a growing elderly population.</p>

7.2 Recommendations for next steps

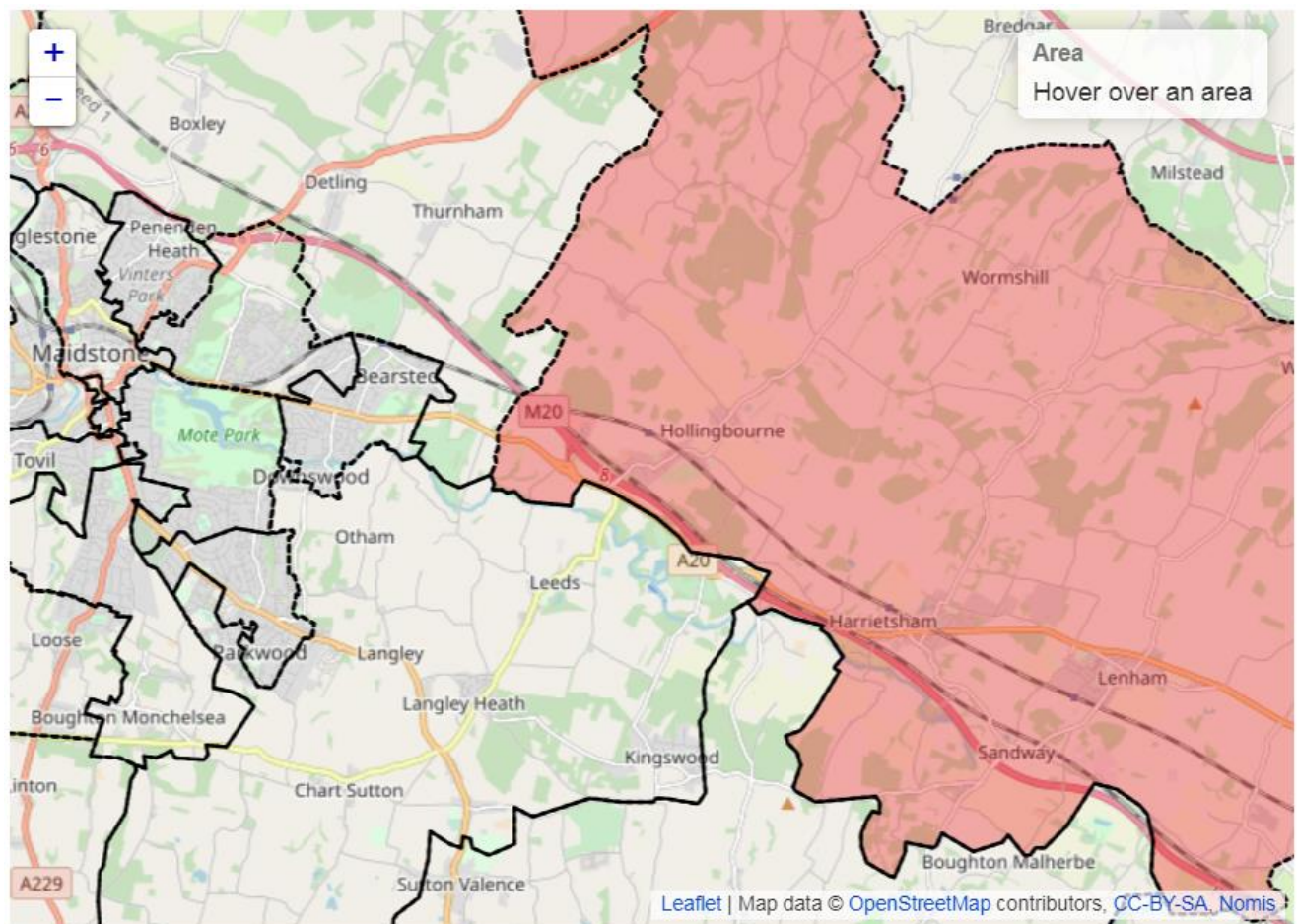
117. This Neighbourhood Plan housing needs assessment aims to provide Lenham Parish Council with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with MBC with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the adopted strategic development plan;
 - The views of MBC – in particular in relation to the quantity of housing that should be planned for;
 - The views of local residents;
 - 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 MBC, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
 - The recommendations and findings of this study; and
 - The impact of the Government's Standard Methodology on calculating housing need for MBC and the neighbourhood plan areas within it.
118. This advice note has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
119. 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 Government, MBC or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
120. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

121. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
122. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Lenham, it is considered that MSOA E02005078, also known as Maidstone 011, is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02005078 : Maidstone 011 appears below in Figure 7-1.

Figure 7-1: MSOA E02005078 : Maidstone 011 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

123. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
124. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
125. In this sense, the notion of development 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.

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

i) Market sales

127. The starting point for calculating the affordability of a dwelling for sale (i.e. the PT) from the perspective of a specific household is the loan to value ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

128. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Lenham. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

129. The calculation is therefore:

- Value of an 'entry level dwelling'²⁸ = £288,125;
- Purchase deposit = £28,813 @10% of value;
- Value of dwelling for mortgage purposes = £259,312;
- Loan to value ratio = 3.5 of value of mortgage;
- **Purchase threshold = £74,089.**

ii) Private Rented Sector (PRS)

130. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rent property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.

131. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,²⁹ such a home would require three habitable rooms (a flat or house with two bedrooms).

132. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the ME17 2 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

133. According to home.co.uk, there are 2 two-bed properties currently listed for rent across Lenham, with an average price of £812.50 per calendar month.

134. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £813 x 12 = £9,750;
- Multiplied by 4 = £39,000;
- **Income threshold (private rental sector) = £39,000**

²⁸ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

²⁹ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

135. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

A.3 Affordable Housing

136. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, starter homes, discounted market sales housing, and other affordable routes to home ownership.
137. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer into line with people's ability to pay.
138. A good example is, in 2012, the introduction of dwellings for affordable rent. Rent for this tenure is set at up to 80% of market rent. Labelled an 'intermediate' product, this tenure is suitable for people with an income that precludes them from eligibility for socially-rented dwellings (where rent is set in accordance with the Government's rent policy), but who, at the same time, cannot afford to access the private market.
139. The overall aim is to restrict eligibility for social rent dwellings to those with very low household incomes, relatively speaking. However, within this tenure, market principles also apply, given the link between rents and size of dwelling. There is a strong financial incentive for households to only occupy a dwelling deemed suited to their needs, based on an 'occupancy rating' formula set by the Government.
140. We consider each of the affordable housing tenures in turn, before developing a recommendation for how the quota of affordable housing yielded by development should be divided between these tenures.

i) Social rent

141. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
142. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the LPA level so must act as a proxy for Lenham. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Maidstone in the table below.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	80.90	101.80	116.20	129.20	102.30
Annual average	4,206.80	5,293.60	6,042.40	6,718.40	5,319.60
Income needed	16,827.20	21,174.40	24,169.60	26,872.60	21,278.40

Source: Homes England, AECOM Calculations

ii) Affordable rent

143. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen, the annual entry-level rent in Lenham is £288,125. In the event of a 20% reduction in rent to £7,800, the income threshold would reduce to an estimated £31,200.
144. As for Maidstone, the LPA require the affordable rents to be capped at LHA (Local Housing Allowance) Level as stated as a clause within s106 agreements. The LHA for September 2019 for a 2 bed properties within the Maidstone BRHMA (Broad Rental Market Area) is £162.29³⁰ a week, which equates to an annual figure of £8,439., the income threshold would be estimated to be £33,756.
145. Maidstone require affordable rents to be capped to Local Housing Allowance levels if the 80% of the market rent exceeds this, which in this circumstance it does not, therefore the 80% of the local market rent calculation has been used.

iii) Intermediate tenures

146. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

Starter homes

147. The Housing and Planning Act 2016 introduced a duty on planning authorities in England to promote the supply of 'starter homes', and to require a minimum number or proportion of 'starter homes' on certain residential development sites. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that *"where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership"*.
148. In effect, therefore, the NPPF permits neighbourhood planners to decide an appropriate level of affordable home ownership tenure, while taking note of the 10% policy expectation.
149. A starter home is a new build home with a value not exceeding £250,000 (or £450,000 in London); they are eligible for first time buyers aged 40 or younger.
150. Whether to treat discounted market sale homes as affordable housing or not depends on 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.
151. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £288,125.
152. Applying a discount of 20% provides an approximate selling price of £230,500 allowing for a 10% deposit further reduces the value of the property to £207,450. The income threshold at a multiple of 3.5 is £59,271.

Shared ownership

153. 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. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned.
154. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £60,000.

³⁰ <https://lha-direct.voa.gov.uk/SearchResults.aspx?LocalAuthorityId=279&LHACategory=2&Month=9&Year=2019&SearchPageParameters=true>

155. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £288,125.³¹ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
156. A 25% equity share of £288,125 is £72,031, from which a 10% deposit of £7,203 is deducted. The mortgage value of £64,828 (£72,031 - £7,203) is then divided by 3.5. To secure a mortgage of £64,828 an annual income of £18,522 (£64,828 / 3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £216,094. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £5,402 and requires an income of £21,609. Therefore, an income of around **£40,131** (£18,522 + £21,609) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
157. A 40% equity share of £288,125 is £115,250, from which a 10% deposit of £11,525 may be deducted. The mortgage cost of £99,725 (£115,250 - £11,525) is then divided by 3.5. To secure a mortgage of £115,250, an annual income of £28,493 (£115,250 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 60% shared ownership equity, comprising the unsold value of £172,875. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £4,322, requiring an income of £17,278. Therefore, an annual income of around **£45,781** (£28,493 + £17,278) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
158. A 50% equity share of £288,125 is £144,062, from which a 10% deposit of £14,406 may be deducted. The mortgage cost of £129,656 (£144,062 - £14,406) is then divided by 3.5. To secure a mortgage of £129,656, an annual income of £37,045 (£129,656 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, comprising the unsold value of £144,062. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £3,602, requiring an income of £14,406. Therefore, an annual income of around **£51,451** (£37,045 + £14,406) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
159. A 75% equity share of £288,125 is £216,094, from which a 10% deposit of £21,609 can be deducted. The mortgage cost of £194,484.75 (£216,094 - £21,609) is then divided by 3.5. To secure a mortgage of £194,485, an annual income of £55,567 (£194,485 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, comprising the unsold value of £72,031. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,801, requiring an income of £7,203. Therefore, an annual income of around **£62,770** (£55,567 + £7,203) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.
160. These findings are similar to those set out in the Lenham Housing Survey 2016 which can be seen below.
161. To give an indication of respondents' ability to afford shared ownership, levels of income and rent/mortgage have been taken into consideration on purchasing a 25% and a 40% share of a property with estimated values of £201,700 for a 1 bed property, £265,900 for a 2 bed house and £318,000 for a 3 bed house. These values are taken from average costs found at www.mouseprice.co.uk. Affordability is calculated using the Homes and Communities Agency's target incomes calculator.
162. Calculations are made assuming a 10% deposit of mortgage share.

Property price £	Share	Deposit Required £	Monthly mortgage £	Monthly rent £	Monthly Service charge	Monthly total £	Gross Income required
£201,700	25%	5043	310	347	80	737	26 548
£201,700	40%	8068	496	277	80	853	30 753
£265,900	25%	6648	409	457	80	946	34 081
£265,900	40%	10 636	654	366	80	1100	39 624
£318,000	25%	7950	489	547	80	1116	40 194
£318,000	40%	12 720	782	437	80	1299	46 824

³¹ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent

Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods³².

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard³³

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³⁴

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

Concealed Families (Census definition)³⁵

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

³² The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³³ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁴ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁵ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Equity Loans/Shared Equity

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

Extra Care Housing³⁶

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 manage day-to-day tasks without assistance. 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.

Fair Share

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

³⁶ See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years³⁷, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

There is no single definition of overcrowding, however Section 325 of the Housing Act 1985 provides that there is overcrowding wherever there are so many people in a house that any two or more of those persons, being ten or more years old, and of opposite sexes, not being persons living together as husband and wife, have to sleep in the same room

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

³⁷ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Proportionate and Robust Evidence

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

Private Rented

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁸

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

³⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³⁹

³⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

Lenham Neighbourhood Plan Housing Needs Assessment

AECOM Comment Actions

Date: 24/07/19

Comment No. or Summary	AECOM Action or Non-Action	Explanation
The methodology used by the consultants appears reasonable.	Read and noted, but no change	No need to change document.
With respect to Shared Ownership levels, the consultants have quoted and benchmarked affordability levels against 25%, 50%, and 75%. Minimum shares that can be offered are 25%, up to the maximum of 75%. In reality, however, the initial shares normally offered by an RP, depending on locality and the overall scheme finances (taking affordability into account), are 25%; 30% or 40%. It is suggested that it might be better for the consultants to include 40%, rather than 50% in their ranges.	Action – updated report to reflect 40% cap.	This will better reflect the local market than the 50% share initially used within the report.
Lenham PC had a Local Housing Need Survey undertaken, with a report published in August 2016. Such surveys are normally considered to have a shelf life of no more than 5 years before they become out of date and need refreshing	We have included a number of references into the report.	This report should be read in conjunction with the Lenham housing need Survey 2016.

