Lakenheath Housing Needs Assessment (HNA)

May 2021

Quality information

Prepared by	Checked by	Approved by
Paul Avery Senior Consultant	Kerry Parr Associate Director	Kerry Parr Associate Director

Revision History

Revision	Revision date	Details	Authorized	Name	Position
1	April 2021	First draft	PA	Paul Avery	Senior Consultant
2	April 2021	Technical review	KP	Kerry Parr	Associate Director
3	May 2021	Group review	GK	Gerald Kelly	Lakenheath Parish Council
4	May 2021	Locality review	AO	Annabel Osborne	Neighbourhood Planning Officer

Prepared for:

Lakenheath Parish Council

Prepared by:

AECOM

Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

Image credit: Discover Harleston, West Suffolk Council

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Locality (the "Client") and in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Disclaimer

This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (i.e. the Steering Group) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Qualifying Body is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage. Where evidence from elsewhere conflicts with this report, the Qualifying Body should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

Table of Contents

List of acronyms used in the text:

HNA	Housing Needs Assessment
HRP	Household Reference Person (head of household)
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area (Census)
ONS	Office for National Statistics
PPG	Planning Practice Guidance
RAF	Royal Air Force
RQ	Research Question
SHMA	Strategic Housing Market Assessment
USAF	United States Air Force
VOA	Valuation Office Agency
WSC	West Suffolk Council

1. Executive Summary

1.1 Population and housing statistics

1. The Office for National Statistics (ONS) mid-2019 population estimate for Lakenheath parish is 5,149 people, indicating population growth of around 458 individuals since the 2011 Census.
2. Data from Ordnance Survey AddressBase indicates that there were 2,437 residential addresses in the parish in January 2021, indicating an increase of 184 dwellings since the 2011 Census.
3. Lakenheath has a deliverable housing allocation as part of the Forest Heath Single Issue Review and Site Allocations Local Plan (both 2019). This figure of 768 for the period 2011-2031 is composed of new allocations for 663 homes and 150 completions / commitments from 2011-2017. The West Suffolk Five Year Housing Land Supply Report for 2020 details the outstanding commitments for Lakenheath, with 288 dwellings expected to be delivered between 2021 and 2021 on three large allocated sites.
4. Because the Lakenheath Neighbourhood Plan period (2022-2040) does not align with the 2011-2031 period to which the housing requirement figure applies, it does not accurately reflect the expected quantity of new housing during the Neighbourhood Plan period to 2040. However, it is the best available indication of the scale of growth currently available.

1.2 Conclusions – tenure and affordability

Affordability issues

5. Lakenheath's current tenure mix reveals a relative undersupply of Affordable Housing. The parish had, at the time of the 2011 Census, a higher rate of home ownership than Forest Heath and England and similar rates of private renting, but no shared ownership and 50% less social renting than the district.
6. Between the 2001 and 2011 Censuses, the parish experienced an 88% increase in private renting. This trend, which reflects the pattern nationwide, points to the declining affordability of home ownership, which is borne out in house price data.
7. In Lakenheath this driver is likely to be intertwined with evolving occupancy patterns in relation to the air base. It is understood that the large number of USAF personnel, combined with the relatively small amount of air base accommodation and the short duration of deployments, translates into a large market of renters in Lakenheath itself. This large source of demand is likely to drive up rental prices in the parish, which in turn makes renting out a property a more attractive option for local owner-occupiers if they have the ability to do so.
8. The challenge for the parish has a number of dimensions. First, this creates competition in the rental market for local people. Second, the rising proportion of rented accommodation can limit the quantity of homes that may be available for sale, potentially driving up prices in the sales market also. The more households who cannot access market tenures, the more need there will be for subsidised affordable and social rented homes.
9. The most obvious solution to these challenges is more housing delivery overall, which would provide a greater number and wider range of options that could be taken up by local people as well as air base personnel, and may also help to counter price rises. However, this solution comes with its own difficulties, such as pressure on local infrastructure, competition in an already limited jobs market and the inevitable price premium on new housing that may bring it out of reach for certain income groups.
10. Home values in Lakenheath have steadily increased over the last ten years, with the result that the average entry-level home now costs around £54,000 more than in 2011. The current median house price is £189,000, and the average growth rate for all housing between 2011 and 2020 was 55%. It is worth noting that Lakenheath's 2020 median price this is 24% cheaper than that for West Suffolk as a whole, at £248,000. While housing may be more affordable here than across the wider district, it is clearly becoming less affordable over time.
11. Land Registry data suggests that no new homes were sold in the parish between 2016 and 2020. Based on price trends across West Suffolk, we estimate that a new build premium of around 37% on existing house prices might be expected. This is a potentially serious impediment to the potential to resolve the housing challenges in Lakenheath through the construction of new homes.

Tenure options

12. AECOM has estimated the annual income required to afford various tenures of housing in the parish – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Lakenheath is £36,000, and the lower quartile income (per person) for former Forest Heath was £16,417 in 2019.

13. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the parish. Home ownership through the mainstream market is not an option for the majority of local people. Indeed, given the relative lack of employment opportunities within the parish itself, it is reasonable to expect that most purchasers of market housing will either be commuters (bringing infrastructure consequences) or retirees.

14. Unusually, private renting in Lakenheath is no more affordable than home ownership, remaining out of reach for households on average incomes. This problem is exacerbated by the inelasticity of rental costs by property size: there appears to be comparatively little additional cost to access homes with additional bedrooms, perhaps because such a large segment of demand comes from USAF personnel without children and with less need for larger rental homes.

15. There is little planning policy can do to surmount this affordability challenge in the private rented sector, other than to encourage modestly sized homes to come forward. There are no products designed specifically for making renting more affordable, without this being a means to the end of eventual ownership. However, providing more affordable and social rent can help to protect the people who are unable to afford private renting altogether.

16. There is a very small segment of households who might be able to afford to rent an average 2 bedroom property but not to buy an equivalent home. The 'can rent, can't buy' cohort therefore does not consist of people in a particular income band; rather, the ability to buy is likely driven more by the availability of savings to be used for a deposit and is likely restricted to above average earners in any case.

17. Nevertheless there remains a good opportunity to expand access to home ownership to lower earners by building affordable routes to home ownership such as shared ownership and the new First Homes product, which appear to be suitable locally.

18. Affordable rented housing in Lakenheath is comfortably affordable to households with two lower earners (average earning households are unlikely to be eligible). That is if affordable rents are set in relation to Local Housing Allowance levels rather than at 80% of commercial rents. Negotiations for upcoming sites in Lakenheath stipulate that both measures are to be considered when setting rent levels, but it is worth noting that this may restrict occupancy to those on benefits as opposed to those not considered eligible or in worth but still unable to afford 80% of market rents.

19. Households with a single lower earner appear unable to afford any of the tenures considered. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefits.

Quantity of Affordable Housing needed

20. This report estimates Lakenheath's Affordable Housing needs through two calculations that use locally-specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.

21. There are currently 79 Lakenheath households on West Suffolk's Affordable Housing register. Despite this backlog of need, the HNA estimate suggests Lakenheath will have almost enough vacancies in the existing stock to accommodate newly arising need to 2040.

22. In practice, it would be better to frontload any future rented Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a need for Affordable Housing across the district as a whole, and it is reasonable to expect Lakenheath to satisfy some of that need (whether from local households or those elsewhere in the district).

23. As such, it is recommended that the Neighbourhood Plan seeks to secure some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the

vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in West Suffolk.

24. Turning to Affordable Housing providing a route to home ownership, we estimate that around 26 households per year may be interested in such products (equating to a total of 449 over the Plan period to 2040). It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

25. That said, we have observed the high cost of renting in Lakenheath and it is likely that this tenure will become less accessible over time, leading to a larger potential market for affordable home ownership if this can be delivered at price points that are genuinely affordable to local people.

Policy considerations

26. Forest Heath's adopted policy in relation to Affordable Housing (Policy CS9) requires 30% of housing on large sites (10 or more dwellings or over 0.33 ha) to be affordable. It is understood that this target is not usually met on sites in and around Lakenheath, with developer negotiations and viability statements (often successfully) seeking to reduce the proportion of homes that will be affordable. This is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in Lakenheath, and every effort should be made to maximise delivery.

27. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left in the Local Plan as a matter to be informed by the latest evidence. The HNA can supply that evidence.

28. On the balance of factors listed in section 4.4.3 of this report, AECOM recommends that roughly 40% of Affordable Housing should take the form of rented tenures such as social and affordable rent, with the remaining 60% as affordable routes to home ownership, split evenly between shared ownership and the new First Homes product. Contributing factors to this recommendation are as follows:

- This study estimates that Lakenheath has limited long-term need for affordable rented housing because natural turnover in the existing stock may well be able to satisfy newly arising need.
- However, It is not recommended to strictly limit the future provision of affordable rented housing because there is currently a backlog of need from 79 households; the wider district continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice.
- We also estimate a high potential demand for affordable home ownership in future years.
- There is justification to seek a relatively ambitious proportion of affordable home ownership to bridge the gap for the many households who may not be eligible for affordable rented housing but cannot afford to rent or purchase their own home without assistance. Furthermore, a majority of affordable home ownership products have been found to be helpful in widening housing access to those earning at and below the average locally.
- If 663 is taken as the minimum scale of new housing delivery over the coming decades, this should deliver almost 200 units of Affordable Housing (if 30% of the new homes are provided as affordable according to Policy CS9, which may be challenging to achieve). This could satisfy the current backlog of need for rented homes, and go some way to addressing the potential scale of demand for affordable routes to home ownership.
- Lakenheath has a proportion of social renting far below the district and national rates, indicating an undersupply of this tenure that it may be beneficial to counteract. The parish rate of shared ownership (at 0% in 2011) is also far below the norm in other areas, and presents another opportunity to diversify the tenure mix overall. These two pieces of evidence strongly justify the provision of Affordable Housing, no-matter what specific form it takes: both social rent and shared ownership have room to grow.

1.3 Conclusions – type and size

29. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that

is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the parish or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing stock

30. Lakenheath has a relatively homogenous stock of housing: it is characterised by a large proportion of bungalows (mostly detached and terraced) and a lack of flats, and the vast majority of homes have 2 or 3 bedrooms (with the latter particularly overrepresented compared to the wider district and country).

31. Recent development has mainly exaggerated existing imbalances with increases in 2-3 bedroom homes, although trends from 2011 to 2020 may be skewed by a discrepancy in the 2020 data source that includes a small additional area adjacent to the parish. There may be capacity to usefully increase the number of homes with 1 bedroom in particular, if this is proven to be in demand with local people (such as young people looking for a first step on the property ladder).

32. While terraces might be another appropriately affordable choice for young families, 83% of homes in Lakenheath currently have 2-3 bedrooms (the most common sizes for terraced homes). To a degree, the need for more affordable options for young families and downsizers is in conflict with the imperative to widen housing choice by delivering size categories that are less abundant at present (particularly 1 bedroom and 4+ bedrooms).

33. It should be emphasised that this analysis focuses on gaps and imbalances in existing housing. The priorities of the community and considerations of design, character and the availability of suitable land should also feature in any policy decisions in this area.

Demographics

34. The age structure of the population is a key indicator of the future need for housing. As of 2019 Lakenheath has a relatively well-balanced population, with very similar proportions falling into the 25-44, 45-64 and 65+ age bands and a large cohort of young people. That said, the population profile is older than that of Forest Heath or England. Since the 2011 Census there have been notable increases in the number of children and those aged 65+.

35. While only around 150 residents are aged over 85 at present, today's large 45-84 cohort is likely to produce an ageing population in 2040 that will further embed the ageing trend. Older people could become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. Applying Forest Heath household projections to the Lakenheath population suggests that by 2040 the 65+ group could increase by two third while all other age groups increase by less than 10%.

The future dwelling mix

36. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a relatively even balance of home sizes, aside from the 3 bedroom category which appears to be oversupplied at present.

37. The HNA modelling also indicates substantial need for smaller properties with 1-2 bedrooms, which could help to accommodate the cohort of young people as and when they move out from family homes, as well as improve affordability more widely. That said, it would be worth testing actual demand for 1 bedroom homes, which are of mixed popularity nationwide, as well as bearing in mind any limitations on the construction of flats (which are best suited to 1 bedroom accommodation) in a rural location where this may not be in keeping with Lakenheath's character.

38. While housing choice would certainly be widened and large families better accommodated if larger homes (4+ bedrooms) were delivered in the parish, this finding is driven more by parish's current lack of larger homes than by expected demographic trends.

39. This approach also embeds existing patterns of occupancy which may or may not be desirable. It is therefore appropriate for these conclusions to be understood as a baseline scenario – what should happen if current trends were to continue. However, there are other reasons that would justify departing from the recommendation generated by the model used here.

Further considerations

40. Foremost among the further considerations that might be taken into account, the preceding chapter found that affordability is a serious and worsening challenge in Lakenheath. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.

41. It is also overly simplistic to think about home sizes in terms of the number of bedrooms offered. There is a significant contrast between a 4 bedroom 'executive' home with a luxury specification on a large rural plot and a 4 bedroom townhouse suitable for a large family on a lower income.

42. While the large cohort of older households expected to be present by 2040 may wish to downsize from their existing homes, there is already a plentiful stock of 2 and 3 bedroom homes in the parish, and 1 bedroom homes are unlikely to be appealing to most older households. To best meet their needs it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.[1] If not, further 2-3 bedroom homes, if well-designed, would make a valuable contribution to the existing mix, and 3 bedroom dwellings should not be inhibited entirely (despite the results of the HNA model).

43. In conclusion, there are good reasons for all sizes of home to be encouraged in Lakenheath in future years. It is recommended that the Neighbourhood Plan encourage additional provision of appropriately priced smaller homes to address the present undersupply and accommodate young families and older people. However, this should be done as part of a dwelling size mix that is balanced overall and which meets the needs all household life stages and circumstances.

44. It is also important that consideration is given to qualitative evidence about the needs of local people and the community's wider priorities. It may well be the intention of the community to intervene to produce a different outcome than is suggested in the secondary evidence gathered here, and that would be more in line with their place- and community-shaping objectives. The recommendations in this section represent a starting point for further thought and consultation.

[1] It should be noted that the 2015 Written Ministerial Statement restricts Neighbourhood Plans from setting local space standards and it is to be hoped that the new Local Plan will reinforce the use of the Nationally Described Standards.

2. Context

2.1 Local context

45. Lakenheath Parish is a Neighbourhood Plan Area (NA) located in the District of West Suffolk (formerly Forest Heath, which merged with St Edmundsbury to form West Suffolk in April 2019).

46. The NA boundary aligns with the existing boundary of the Civil Parish of Lakenheath, and was formally designated by West Suffolk Council (WSC) in February 2021. It is located in the north-west of the district, adjoining the county borders with Norfolk and Cambridgeshire.

47. The parish is the largest in the county by area. However, its homes and residents are concentrated in the village of Lakenheath itself, with the surrounding countryside being fenland – including the Lakenheath Fen Nature Reserve – that is unsuitable and/or protected from major development. These environmental constrains effectively place a limit on the extent of growth that can take place around the village.

48. The village of Lakenheath offers a range of services, including a primary school, library, recreation facilities and a range of pubs, restaurants and shops. The settlement is arranged in a generally linear fashion along the B1112 road, though its residential areas also extend to the east. There is a conservation area in the centre of the village as well as a number of listed buildings and archaeological sites.

49. The parish also contains part of Royal Air Force (RAF) Lakenheath, which hosts the 48th Fighter Wing of the United States Air Force (USAF), which is the largest USAF deployment in Great Britain. While the parish boundary contains primarily working areas of the air base (as opposed to residential), the population of RAF Lakenheath exceeds that of the village itself, with around 6,000 personnel. Lakenheath parish thus has a highly significant and growing economic and wider social relationship with the air base, and its presence has a range of impacts on the local housing market. It also causes development constraints in relation to noise and infrastructure.[2]

50. Noise constraints are a particularly important issue, and the mitigation of such impacts should be taken into consideration when planning applications are determined and negotiated. A noise contour map for the area is provided in Figure 2-3 below. There is also a Ministry of Defense safeguarding zone extending 250m around the perimeter of the air base, shown in Figure 2-4. The range of constraints operative in and around Lakenheath are summarized in the constraints map reproduced in Figure 2-5 below.

51. The proposed Neighbourhood Plan period extends to 2040 and for the purpose of this assessment is assumed to begin in 2022, therefore comprising a planning period of 18 years. The evidence supplied in this report will look forward to the Plan end date of 2040. When tallying totals for the entire period, it will assume a period of 18 years but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan start date changes. It is understood that the starting date may be 2020. In that case the size mix would not change, and the annualized affordable housing need should be multiplied by 20 rather than 18 years.

The NA boundary

52. Data for Lakenheath parish was captured in the 2011 Census. However, parishes were not used as units of analysis in the 2001 Census. When looking at that older data, the parish needs to be recreated using statistical units called Output Areas (OAs).

53. In the 2001 Census, Lakenheath NA is composed of three Lower Super Output Areas (LSOAs): E01029942, E01029943 and E01029944. The combination of these three LSOAs exactly recreates the parish boundary, and has been used here as a statistical proxy when gathering data from the 2001 Census.

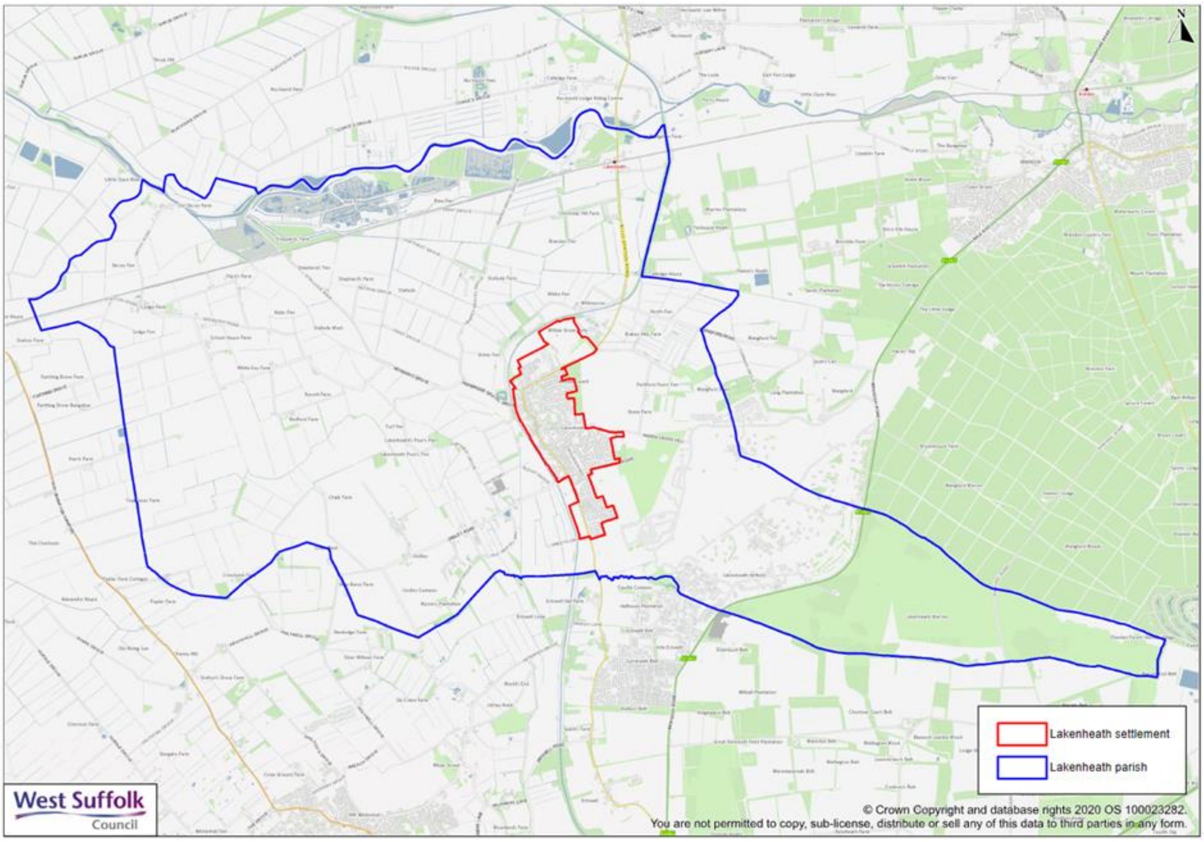
54. Larger scale Output Areas are also used in other datasets beyond the Census, notably by the Valuation Office Agency (VOA) which collects data from council tax receipts, used here for dwelling types and sizes, and by the Office for National Statistics (ONS) for income estimates.

[2] Proposed changes to the air base population and function are currently understood as follows: Lakenheath is to receive two additional squadrons of F35s in November 2022, and one squadron of F15s that was earmarked for removal will in fact remain on the base for the time being. RAF Mildenhall was considered to be vacated with operational uses intensified on Lakenheath, however this change has been abandoned and Mildenhall will receive an additional squadron. The implications of this include an additional 1,200 USAF personnel and families, with knock-on impacts on the housing market, as well as on noise.

55. Between 2001 and the present, the OAs covering Lakenheath were changed slightly. An additional area to the south, around the American Elementary School and Radcliffe Road, has been merged into one of the LSOAs. This means that, unlike the 2011 and 2001 Censuses, this more recent data on house types and incomes will relate to a slightly larger area than the NA itself. However, it is understood that this additional area is contained entirely within the boundary of RAF Lakenheath and is thus not subject to council tax reporting or available for income data collection. It is therefore assumed that this additional area does not skew the data relating to the dwelling stock of Lakenheath parish.

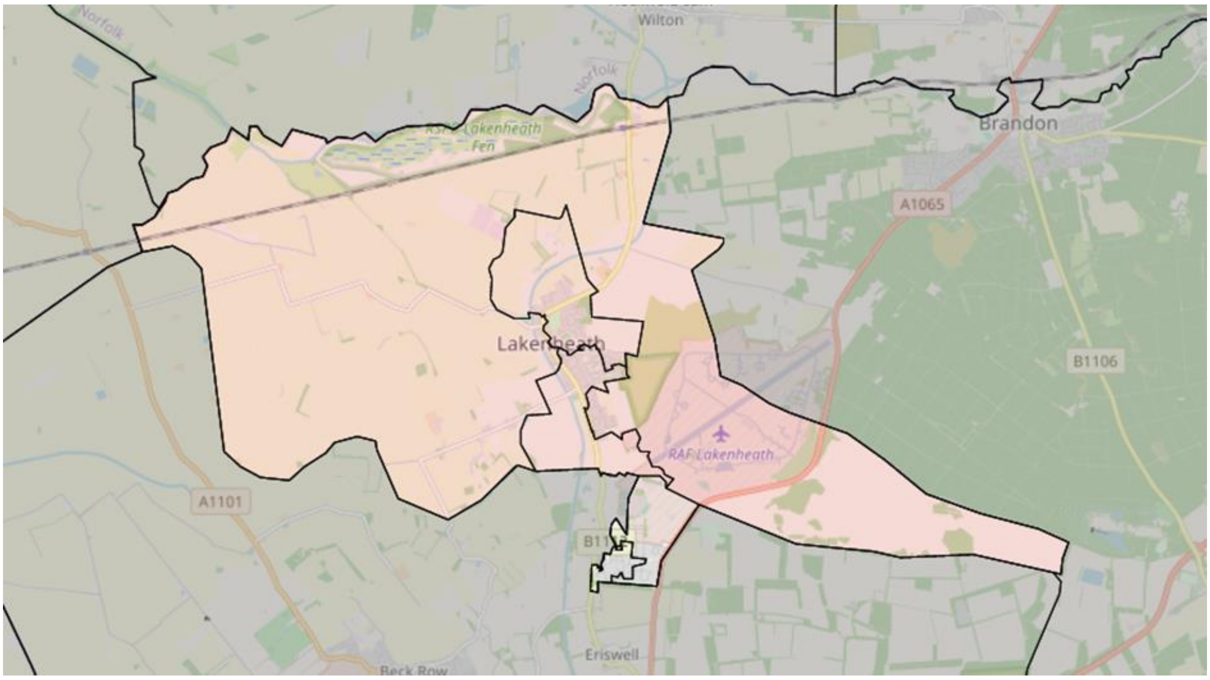
56. A map of the designated NA appears overleaf in Figure 2-1, along with the Census parish boundary used for the 2001 and 2011 Censuses in Figure 2-2. The small area not shared pink in Figure 2-2 is the additional area that is included in the new LSOA. The entire merged area (both pink and clear) is known as Medium Super Output Area (MSOA) E02006239.

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



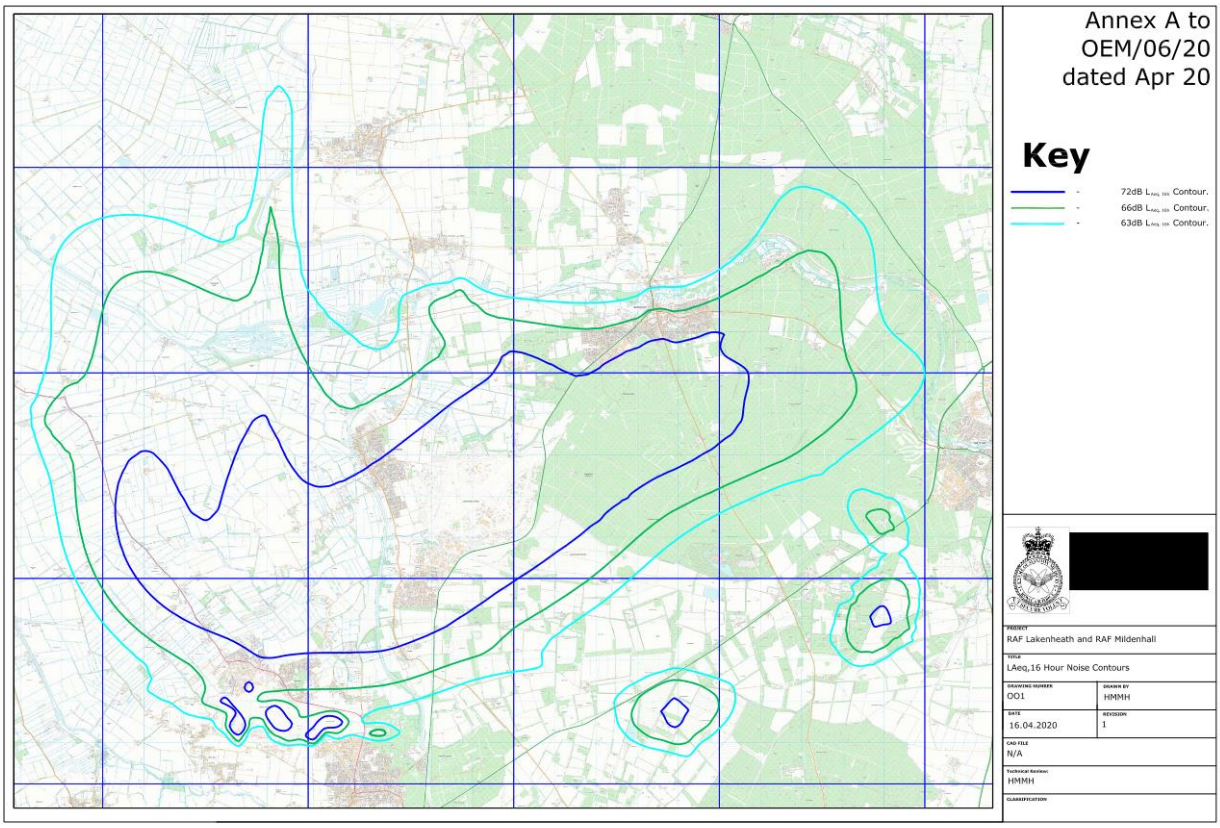
Source: West Suffolk Council

Figure 2-2: Census map of Lakenheath Civil Parish and its component LSOAs



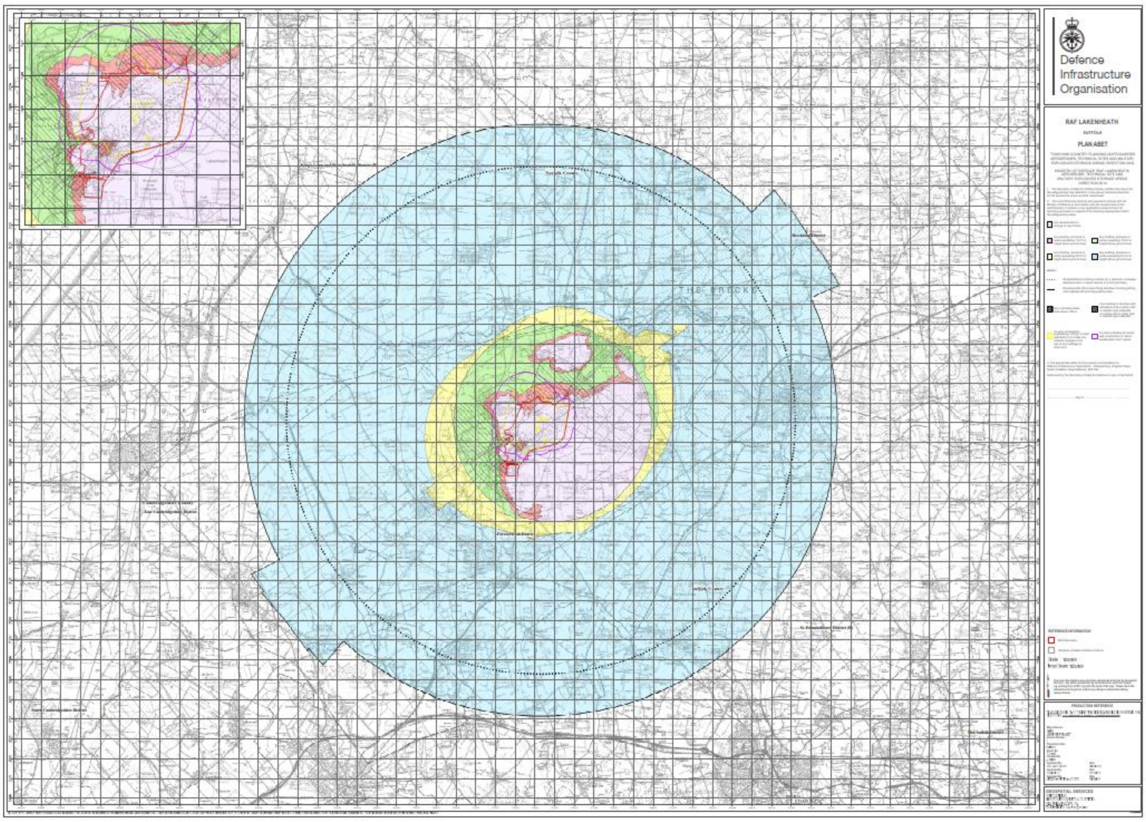
Source: Nomis

Figure 2-3: Lakenheath noise contour map



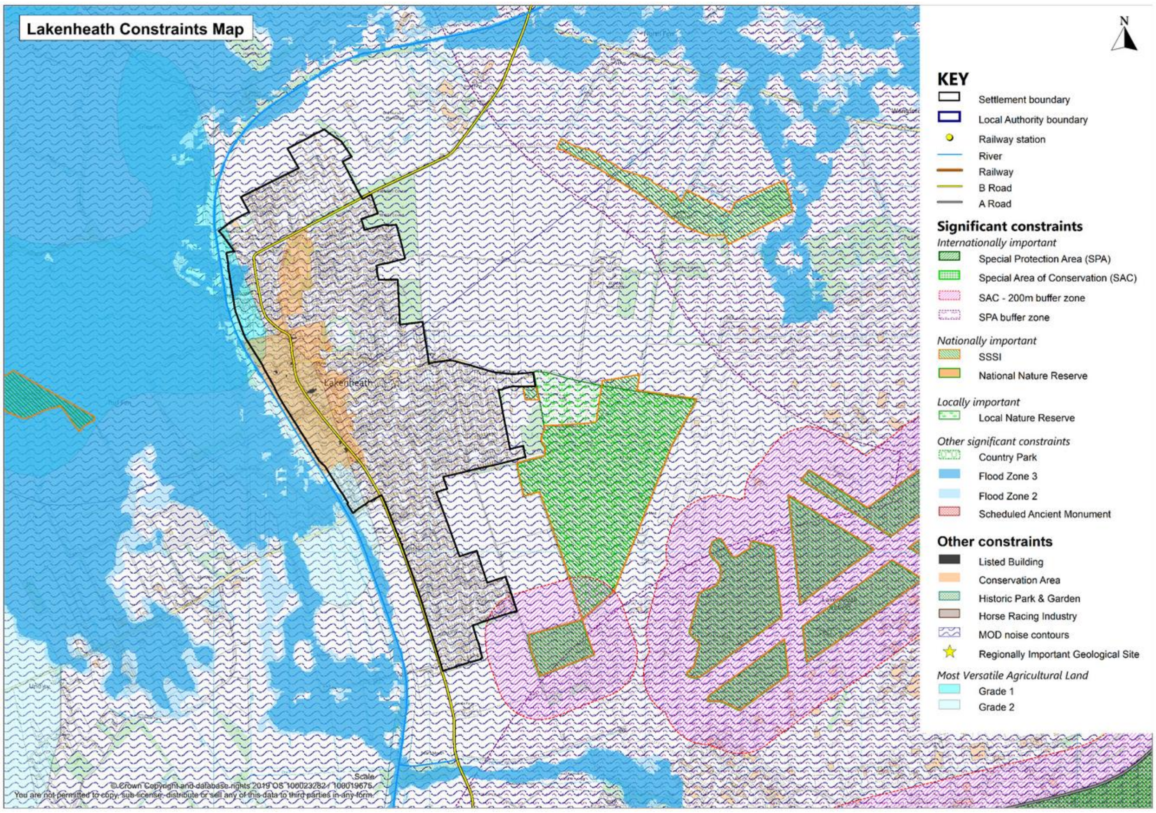
Source: Royal Air Force Centre of Aviation Medicine Noise and Vibration Division Report on Military Aviation Noise at RAF Lakenheath and Mildenhall, April 2020

Figure 2-4: RAF Lakenheath safeguarding map



Source: Provided by the neighbourhood Steering Group

Figure 2-5: Lakenheath constraints map



Source: Supporting documents for the Issues and Options consultation for the West Suffolk Local Plan

Headline population and housing statistics

57. The statistics show that at the time of the 2011 Census Lakenheath had a total of 4,691 residents, formed into 2,096 households, and occupying 2,253 dwellings.

58. from Ordnance Survey AddressBase indicates that there were 2,437 residential addresses in the parish in January 2021, indicating an increase of 184 dwellings since the 2011 Census. The Valuation Office Agency (VOA) counts the stock of properties according to council tax banding and other measures for MSOAs. Lakenheath's MSOA contains 3,470 dwellings as of 2020. However, this is likely to be because of additional homes on the air base falling in the MSOA boundary.

59. For the purpose of this report, the breakdown of dwelling types and sizes provided by the VOA is valuable despite the discrepancy in the total cited above. It is assumed that, even if additional dwellings are included in this up-to-date total the breakdown by type and size remains representative for the wider area, and forms a sufficient basis on which to plan for the future.

60. The Office for National Statistics (ONS) produces mid-year population estimates for parishes throughout the country. The mid-2019 population estimate for Lakenheath parish is 5,149 indicating population growth of around 458 individuals since 2011. This level of population growth (9.8%) is not consistent with the apparent 54% increase in the number of dwellings. This is a further indication that the VOA 2020 dwelling total is not completely accurate.

61. These more recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date. Such patterns are instead assumed to persist to the present day.

2.2 Planning policy context

62. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[3]

63. The district of West Suffolk was established on 1 April 2019 through a merger of the district of Forest Heath and the borough of St Edmundsbury.

64. West Suffolk Council (WSC) is at an early stage in the production of a new Local Plan, which is currently scheduled for adoption in July 2024. At the time of writing it is at the document preparation stage, having held a Regulation 18 Issues and Options Consultation between October and December 2020. A further Regulation 18 consultation on Preferred Options is anticipated for January to March 2022. There are therefore no draft policies to review at this point in time.

65. Until the emerging West Suffolk Local Plan is adopted in 2024, the adopted Local Plan for the former district of Forest Heath will continue to apply to those parts of West Suffolk that were formerly in Forest Heath, including Lakenheath. The Forest Heath Local Development Framework consists of the following documents:

- Core Strategy to 2026, adopted by Forest Heath District Council (FHDC) in May 2010;
- Single Issue Review of Core Strategy Policy CS7, adopted by WSC in September 2019 in response to a successful High Court Review of the existing policy, which is now replaced in its entirety by the new text provided in the Single Issue Review;
- Site Allocations, adopted by WSC in September 2019; and
- Joint Development Management Policies Document, adopted by FHCD and St Edmundsbury Borough Council in February 2015.

66. Adopted Forest Heath policies having relevance to housing need and delivery in Lakenheath are summarised in the tables below.

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

Table 2-6: Summary of relevant policies in the Core Strategy (2010) and Single Issue Review (2019)[4]

Policy	Provisions
Vision 5: Lakenheath	The Core Strategy includes Lakenheath as a vital part of the Forest Heath area's future vision. According to the Vision 5, Lakenheath will function as a key service centre, with enhanced retail and service offerings, as well as employment, to meet the needs of its catchment community. Furthermore, new sport and leisure facilities, as well as improved community facilities and programmes, will be built to meet the needs of the local population and sports clubs. The surrounding fen and heathland countryside will continue to be protected.
Policy CS 1: Spatial Strategy	Outlines the spatial strategy, which is broken down into seven types of place – from Towns at the top of the hierarchy to The Countryside at the bottom. Key Service Centres (Lakenheath, along with Red Lodge) form the second tier of the hierarchy. In Lakenheath, sites for 70 new dwellings within the existing development boundary are proposed to be allocated, in addition to greenfield urban extension land providing for at least 600 dwellings between 2016-2031. It is worth noting that RAF Lakenheath is defined as a Sustainable Military Settlement within this strategy. Development is to be restricted to operational need.
Policy CS 7: Overall Housing Provision (from the Single Issue Review in 2019)	This revised policy makes provision for at least 6,800 net new dwellings to meet Forest Heath's full and objectively assessed need for housing in the period 2011-2031. 768 dwellings within this total are distributed to Lakenheath in the form of 105 existing completions and commitments (2011-2017) and additional provision of 663. To deliver this, sites are identified through the Site Allocations Local Plan and/or neighbourhood plans.
Policy CS 8: Provision for Gypsies and Travellers	This policy states that the Council will assign land to meet the needs of Gypsies and Travellers living in the District and that extensions to existing sites or the identification of new small-scale sites with fair and sustainable access to local facilities, such as stores, doctors, and schools would be provided. The District will also make provision for an annual 3% rise in the amount of total residential pitch provision beyond 2011, unless proof from an up-to-date Gypsy and Traveller Accommodation shows otherwise. The policy also lays out the guidelines for deciding a potential site's suitability.
Policy CS 9: Affordable Housing Provision	30% of net new dwellings will be pursued as affordable on all schemes of 10 or more dwellings or sites of more than 0.33 hectares. The mix of tenures and sizes within the affordable provision should take account of the latest Strategic Housing Market Assessment (SHMA) or other evidence of local need. The targets specified are subject to the viability of the affordable housing being demonstrated, using whatever public subsidy may be available in the case.

[4] https://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/FH-CoreStrategyDevelopmentPlanDocument20012026withhousingprojectedto2031AdoptedMay2010.pdf
https://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/Final-SIR-September-2019.pdf

Table 2-7: Summary of relevant policies in the Joint Development Management Policies Document (2015)[5]

Policy	Provisions
DM23 – Special Housing Needs	Proposals for new or extensions to existing accommodation for elderly and/or vulnerable people will be permitted on sites deemed appropriate for residential development where they meet certain conditions regarding local need, amenity space, and public transport.

Table 2-8: Summary of relevant policies in the Site Allocations Local Plan (2019)[6]

Policy	Provisions
SA7: Housing and mixed use allocations in Lakenheath	Two sites are allocated for residential and mixed use development within the existing development boundary: Matthews Nursery, with indicative capacity of 13 dwellings, along with a retail store. Land west of Eriswell Road, with an indicative capacity of 140 dwellings.
SA8: Focus of growth – North Lakenheath	The north of Lakenheath is identified as the main focus for new development during the Plan period. This part of the village is expected to deliver approximately 680 dwellings, with three specific sites identified: Site at Rabbit Hill Covert, Station Road, with an indicative capacity of 81 dwellings. Land north of Station Road, with an indicative capacity of 375 dwellings along with a primary school. Land off Briscoe Way, with an indicative capacity of 67 dwellings.

2.2.1 Quantity of housing to provide

67. The NPPF 2019 (paragraphs 65 and 66) requires Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

68. West Suffolk has fulfilled this requirement by providing Lakenheath with a deliverable housing allocation as part of the Forest Heath Single Issue Review and Site Allocations Local Plan (both 2019). This figure of 768 for the period 2011-2031 is composed of new allocations for 663 homes and 150 completions / commitments from 2011-2017. The West Suffolk Five Year Housing Land Supply Report for 2020 details the outstanding commitments for Lakenheath, with 288 dwellings expected to be delivered between 2021 and 2021 on three large allocated sites.

69. Because the Lakenheath Neighbourhood Plan period (2022-2040) does not align with the 2011-2031 period to which the housing requirement figure applies, it does not accurately reflect the expected quantity of new housing during the Neighbourhood Plan period to 2040. However, it is the best available indication of the scale of growth, and a sufficient basis upon which to plan for new development. For the purpose of this HNA we will assume that new housing delivery in Lakenheath to 2040 will be at least 663 net additional homes. Certainty on the formal housing requirement is unlikely to be known until early 2022 when the Preferred Options Local Plan is published.

[5] https://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/JDMPD-FINAL-for-website-R.pdf

[6] https://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/upload/Final-SALP-September-2019.pdf

3. Approach

3.1 Research Questions

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

3.1.1 Tenure and Affordability

71. The 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.

72. This evidence will allow Lakenheath 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.

73. The Steering Group is interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue is provided under the remit of this research question.

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

3.1.2 Type and Size

74. The aim of this research question is to provide the Group with evidence on the types and sizes of new housing needed by the local community. This will help to shape future development so that it better reflects what residents need.

75. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

76. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change.

77. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

3.2 Relevant Data

78. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- The Cambridge housing sub-region Strategic Housing Market Assessment 2013 (SHMA), which is considered relatively dated and not cited in any detail here.

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

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

4.1 Introduction

79. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.

80. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.

81. The definition of Affordable Housing set out in the 2019 NPPF makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently proposed to introduce a new product called First Homes.[7]

82. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritization for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

4.2 Current tenure profile

83. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership,

[7] The Government response to the First Homes proposals in its 'Changes to the current planning system' consultation is available here: https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-first-homes-proposals-in-changes-to-the-current-planning-system. This confirms the shape that First Homes will take. However, it will not become official until a Written Ministerial Statement is presented to parliament. The timeframe for this is currently unknown, and it is understood that an implementation period of around 6 months will follow the Ministerial Statement. Neighbourhood plans that are adopted during this period will not need to take account of the First Homes changes, but it is advisable for all plans in process to reflect them where possible.

private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

84. Table 4-1 below presents data on tenure in Lakenheath compared with former Forest Heath and England from the 2011 Census, which is the most recent available source of this information. The parish has a marginally higher rate of home ownership than England, both of which are higher than Forest Heath. There was no shared ownership in the parish in 2011, a similar proportion of private renting to Forest Heath, and significantly less social renting. and rates of social and private renting falling between the district and national levels. Unfortunately it was not possible to use WSC data to determine how many units of Affordable Housing have been delivered since 2011 in Lakenheath. In any case it would still not be possible to fully understand the current state of the tenure mix because no dataset captures the change of tenure in a dwelling from ownership to renting, or from shared ownership to full ownership, for example.

85. What can be clearly concluded from this information is that there is a lack of social rented accommodation compared with wider geographies and that there may well be an opportunity to provide affordable routes to ownership.

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

Tenure	Lakenheath	Forest Heath	England
Owned; total	64.6%	55.9%	63.3%
Shared ownership	0.0%	1.4%	0.8%
Social rented; total	9.0%	14.7%	17.7%
Private rented; total	24.1%	24.4%	16.8%

Sources: Census 2011, AECOM Calculations

86. Between the 2001 and 2011 Censuses, the parish experienced an 88% increase in private renting. This trend, which reflects the pattern nationwide, is often an indicator of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. In Lakenheath this driver is likely to be intertwined with evolving occupancy patterns in relation to the air base.

87. It is understood that the large number of USAF staff, combined with the relatively small amount of air base accommodation and the short duration of deployments (approximately 2-4 years), translates into a large market of renters in Lakenheath itself. This large source of demand is likely to drive up rental prices in the parish, which in turn makes renting out a property a more attractive option for local occupiers if they have the ability to live elsewhere themselves.

88. An upward change in the proportion of private renting will be a key indicator to look for in the 2021 Census. If this is found to be a growing trend, the challenge for the parish will have a number of dimensions. First, this creates competition in the market for local people, who may not be able to access affordable rented accommodation if they are unable or do not wish to purchase their own home. Second, the rising proportion of rented accommodation can limit the quantity of homes that may be available for sale, potentially driving up prices in the sales market also. The more households who cannot access market tenures, the more need there will be for subsidised affordable and social rented homes.

89. The most obvious solution to these challenges is more housing delivery overall, which would provide a greater number and wider range of options that could be taken up by local people as well as air base staff, and may also help to counter price rises. However, this solution comes with its own difficulties, such as pressure on local infrastructure, competition in an already limited jobs market and the inevitable price premium on new housing that may bring it out of reach for certain income groups.

90. Further sections in this chapter provide guidance on the most suitable tenures for local people during the Neighbourhood Plan period based on current information. It is worth thinking about this relatively complex context and monitoring how it develops when it comes to developing policies to influence housing delivery in the Neighbourhood Plan.

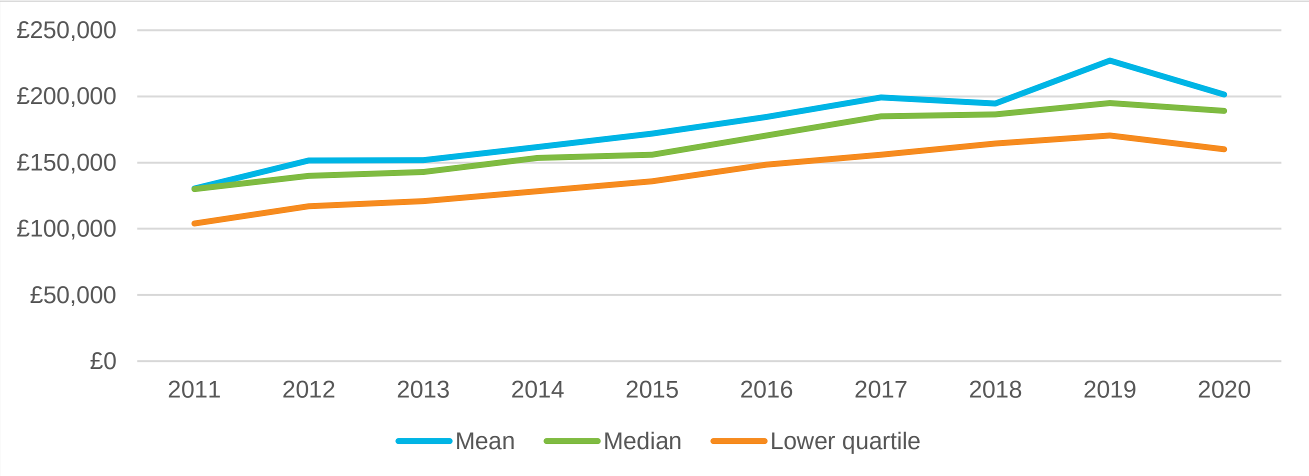
4.3 Affordability

4.3.1 House prices

91. Figure 4-1 below presents selected measures of house prices in Lakenheath. It shows a smooth, steady increase in house prices over the last ten years, broken only by very slight declines in the years 2013, 2015 and more strongly in 2020. There is also a striking peak in the mean price in 2017, which was driven by a handful of sales exceeding £300,000 and reaching as high as £700,000 in one case. It is also worth noting that there is record of a transaction for £10,000,000 in November 2017, listed by Land Registry as a flat but understood to be related to a solar energy farm, which is therefore excluded from this data.

92. The gap between the average home and the lower quartile (cheapest 25% of properties – a good proxy for entry-level homes) has widened slightly in recent years, suggesting that affordability is worsening more in the high-value end of the market than the lower end. While this appears to be modest good news for those on lower incomes, the average entry-level home has still increased in price by nearly £54,000 since 2011.

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



Source: Land Registry Price Paid Data (PPD)

93. The current median house price in Lakenheath is £189,000. It is worth noting that this is 24% cheaper than the 2020 median for West Suffolk as a whole, at £248,000. While housing may be more affordable than the wider district (which includes a number of expensive market towns such as Bury St Edmunds), it is clearly becoming less affordable over time.

94. Table 4-2 below breaks down house prices by type. It shows that all house types have appreciated strongly over the last ten years, with an overall average growth rate of 54.5%

95. This picture suggests that home ownership is becoming increasingly unaffordable in Lakenheath, which aligns with the finding that private renting has become a dramatically more popular option in recent years. The average flat cost just over £100,000 in 2018, suggesting that this option could remain attainable for young people. However, there are very few flats in Lakenheath (just over 50 at the time of the 2011 Census, with no increase to the 2020 VOA data, which is rounded to the nearest 10 at 50). Semi-detached and terraced housing is however potentially affordable, being much closer in price to the average flat than the average detached home, which remains an option only for the wealthiest households.

96. This analysis is not able to include information on the costs of newly built housing because Land Registry data shows no newly built properties being sold in the parish since 2016. The costs of newly built housing across West Suffolk are discussed in Appendix A with a view to estimating what a newly built entry-level home in Lakenheath might be likely to cost. The result of this estimate is £216,500. Please see Appendix A for further detail.

97. This estimate is for a newly built terraced home (a proxy for entry-level), and can be compared to the £158,000 average price of second-hand terraces in 2020, suggesting that a premium of around 37% on existing house prices might be expected. The new build premium on new housing is a potentially serious impediment to the potential to resolve the housing challenges in Lakenheath through the construction of new homes.

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

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£147,570	£166,718	£165,257	£182,144	£194,508	£209,280	£218,807	£225,819	£244,475	£238,999	62.0%
Semi-detached	£115,125	£118,999	£125,433	£141,200	£150,000	£150,219	£170,473	£180,239	£184,391	£169,235	47.0%
Terraced	£104,464	£128,667	£124,700	£108,400	£125,047	£128,636	£150,696	£156,400	£179,409	£158,219	51.5%
Flats		£74,000		£73,500		£90,000			£105,000		N/A
All Types	**£130,414**	**£151,707**	**£151,885**	**£161,802**	**£171,977**	**£184,598**	**£199,364**	**£194,711**	**£227,095**	**£201,503**	**54.5%**

Source: Land Registry PPD

4.3.2 Income

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

- The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £36,000 in 2019. This total (gross) income figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.[8] A map showing the area that this figure refers to is provided in Appendix A.
- The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Forest Heath's gross lower quartile annual earnings were £16,417 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £32,834.

99. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

4.3.3 Affordability Thresholds

100. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

101. AECOM has determined thresholds for the income required in Lakenheath to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.

102. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. Where discounted market housing and shared ownership costs have been estimated, these are based on the expected cost of a newly built terrace in Lakenheath of £216,618 (as discussed above and calculated in Appendix A).

103. Table 4-3 overleaf summarises the estimated cost of each tenure, the annual income required to support these costs within Lakenheath, and whether local incomes are sufficient. The income required column does not reflect

[8] 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.

the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households may already hold equity from an existing property.

104. The same information is presented as a graph in Figure 4-2 on a subsequent page.

Table 4-3: Affordability thresholds, Lakenheath

Tenure	Mortgage Value (90% of price)	Rent	Income required	Affordable on average incomes? £36,000	Affordable on LQ earnings (single earner)? £16,417	Affordable on LQ earnings (2 earners)? £32,834
Market Housing						
Median Existing House Price	£170,100	-	**£48,600**	No	No	No
New Build Entry-level House Price	£194956		**£55,702**	No	No	No
Lower Quartile Existing House Price	£144,000	-	**£41,143**	No	No	No
Average Market Rent	-	£13,200	**£44,000**	No	No	No
Entry-level Market Rent	-	£12,156	**£40,520**	No	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£173,295	-	**£44,562**	No	No	No
Discounted Market Sale (-30%)	£151,633	-	**£38,991**	Marginal	No	No
Discounted Market Sale (-40%)	£129,971	-	**£33,421**	Yes	No	Marginal
Discounted Market Sale (-50%)	£108,309	-	**£27,851**	Yes	No	Yes
Shared Ownership (50%)	£108,309	£2,708	**£36,877**	Marginal	No	No
Shared Ownership (25%)	£48,739	£4,062	**£27,464**	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£6,719	**£26,878**	Yes	No	Yes
Social Rent	-	£4,789	**£19,155**	Yes	No	Yes
Market Housing						

Source: AECOM Calculations

105. Thinking about housing for market purchase first, it is apparent that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home. Home ownership through the mainstream market is therefore not an option for the majority of local people.

106. Unusually, private renting in Lakenheath is no more affordable than home ownership, remaining out of reach for households on average incomes. This problem is exacerbated by the inelasticity of rental costs by property size: there appears to be comparatively little additional cost to gain additional bedrooms, perhaps because such a large segment of demand comes from USAF personnel without children and with less need for larger rental homes.

107. There is a very small segment of households who might be able to afford to rent an average 2 bedroom property but not to buy an equivalent home. The 'can rent, can't buy' cohort therefore does not consist of people with particular incomes; rather, the ability to buy is likely driven more by the availability of savings to be used for a deposit and is likely restricted to above average earners in any case.

108. Normally the range of affordable home ownership products (such as discounted market housing and shared ownership) would exist to serve those who can rent but cannot buy. In Lakenheath, however, those products chiefly serve the purpose of widening access to home ownership for lower earners. About those products, the following conclusions can be drawn:

- Most of the subsidised ownership products considered here would be suitable to households on average incomes, and there is also potential for low equity shared ownership and heavily discounted market sale to widen access to households with two lower quartile earners.
- A 30% discount would be required to bring a new entry-level home within reach of the average earning household. This suggests the new First Homes product would be a valuable addition to the dwelling mix here. A discount of just over 40% would be needed to widen access to households with two lower earners.

- Discounted market housing might be more or less affordable in practice depending on whether it is priced by the developer in relation to the overall average price, overall new build price or entry level new build price (as assumed here). It should be emphasised that the Neighbourhood Plan is limited in its ability to control or influence level of discount achieved on discounted market sale properties but the Local Planning Authority should have a role here.
- The income required to access rent to buy is assumed to be the same as that required to afford market rents. At around £40,500 for an entry-level home (though the new build premium might result in higher rents in practice), this is less affordable than discounted market housing or shared ownership.

109. All of these products are intended to widen access to home ownership. It is acknowledged that Lakenheath has a problem with the affordability of the private rented sector. There is little planning policy can do to surmount this, other than to encourage modestly sized homes to come forward and encourage helpful features of the sector such as long, secure tenancies. There are no products designed specifically for making renting more affordable, without this being a means to the end of eventual ownership. However, providing more affordable and social rent can help to protect the people who are unable to afford private renting altogether.

110. Affordable rented housing in Lakenheath is comfortably affordable to households with two lower earners (average earning households are unlikely to be eligible). Households with a single lower earner appear unable to afford any of the tenures considered. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit.

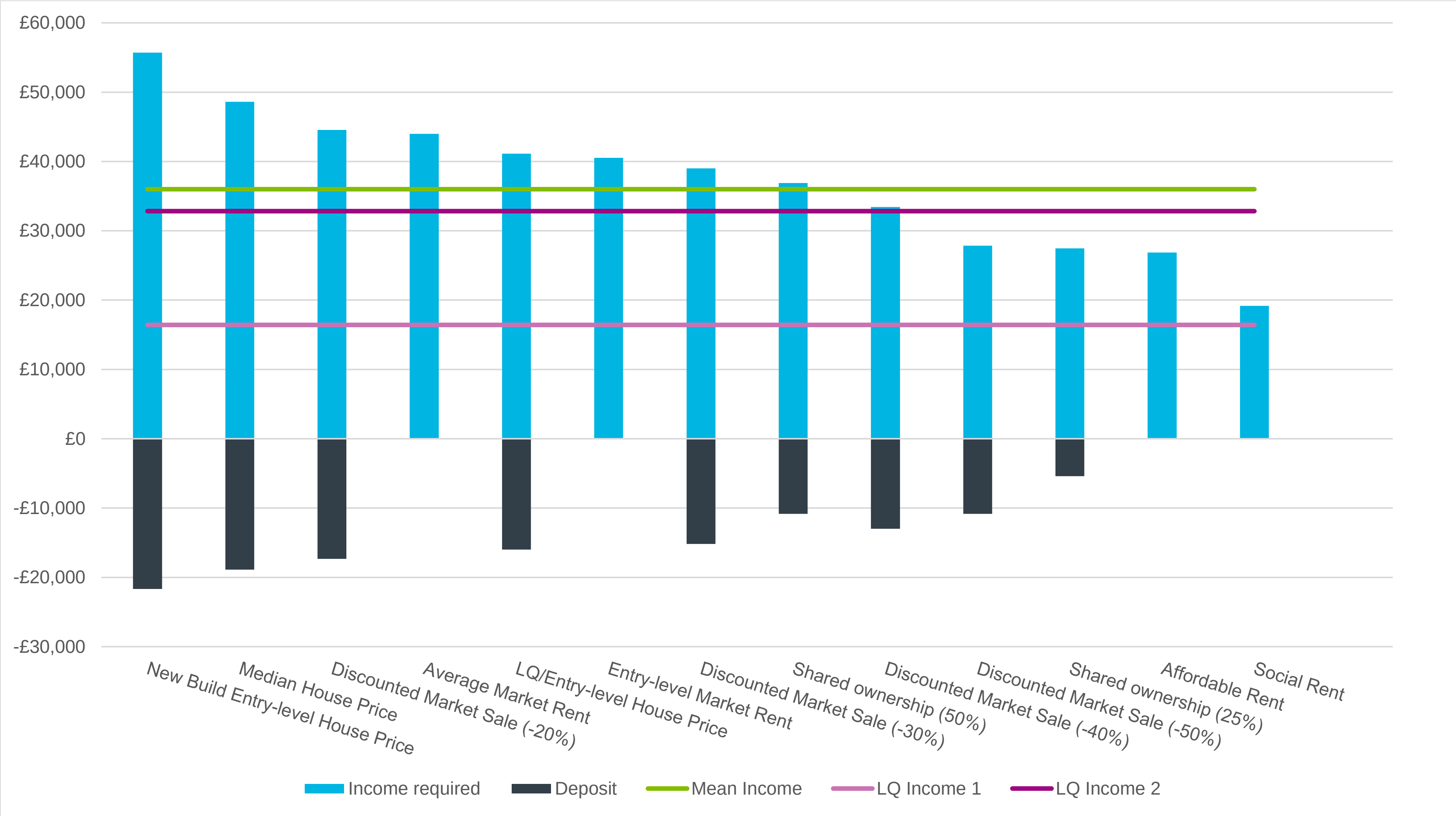
111. Local authorities and neighbourhood plans will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate. It is clear from the HNA evidence that seeking a higher discount of 40% would be beneficial in Lakenheath – because this would widen access to lower earners (see Table 4-5 below, which also shows how the required discounts would vary depending on how pricing is benchmarked).

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

Tenure/ product:	Mean Income	LQ Income 1	LQ Income 2
Median House Price	26%	66%	32%
New Build Entry-level House Price	35%	71%	41%
Lower Quartile / Entry-level House Price	13%	60%	20%

Source: Land Registry PPD; ONS MSOA total household income

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



Source: AECOM Calculations

4.4 Affordable housing- quantity needed

112. The starting point for understanding the need for affordable housing in Lakenheath should be the relevant Strategic Housing Market Assessment (SHMA).

113. The relevant SHMA was published in 2013 for the Cambridge housing sub-region (seven districts including Forest Heath and St Edmundsbury), with an Objectively Assessed Needs study for Forest Heath published in 2016 which considers only the total quantity of housing needed rather than its specific characteristics. The Cambridgeshire Insight website suggests that procurement for a new SHMA began in December 2019, but nothing has yet been published. Owing to the age of the existing evidence it is considered out-of-date for the purpose of this part of the assessment.

114. Instead, we have calculated Lakenheath's needs through two calculations that use locally-specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable home ownership tenures. These estimates are presented and discussed in turn below.

4.4.1 Affordable rented housing

115. The starting point for assessing the need for affordable rented housing is the number of Lakenheath households currently applying for Affordable Housing on the West Suffolk housing register. WSC have advised that there were 79 households with a local connection to Lakenheath on the register in Bands A to D as of March 2021. There are also 101 applicants on the register who have expressed a preference for Lakenheath, and it is not clear what degree of overlap there is between the two numbers (i.e. whether all 79 households with a local connection expressed a preference).

116. For the purpose of this assessment, we are concerned with the needs of the local population and those with clear connections rather than with the needs of the wider district who may wish to like in the parish. Ideally it would be known how many of the 79 households actually live within the parish at present, but this data is not available. As such 79 is used as the most applicable number here, although the higher figure of 101 would justify efforts to further exceed affordable housing delivery to accommodate this wider group. The breakdown in terms of bedrooms allocated is presented below. (Note that allocations depend not only on demand but also the supply and availability of properties of a given size.) It is worth noting that these figures represent a snapshot in time.

- 1 bedroom – 43 applicants
- 2 bedrooms – 17 applicants
- 3 bedrooms – 14 applicants
- 4 bedrooms – 4 applicants
- 5 bedrooms – 1 applicant

117. Table 4-7 below estimates the need for Affordable Housing for rent in Lakenheath per year of the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic polices, the calculations set out below are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

118. The result of this calculation is a shortfall of only 0.2 units per year (or 3.7 over the 18-year Plan period). This is initially surprising given the fact that there are currently estimated to be around 79 households in need.

119. However, what this model is saying is that the estimated amount of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Lakenheath's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises.[9] 3% of the existing stock is approximately 6 units of Affordable Housing that might come vacant in any given year. We estimate that around 2 households will fall into need each year, in addition to 4 units required to address the current backlog (which is spread across the Plan period in order to

[9] This figure of 3% is derived from AECOM's experience in other areas and comparable assumptions made in Local Authority level housing needs research. It is not specific to turnover rates in the parish specifically – something which we were unable to determine.

give an annualized figure). So a combined 6 households need housing per year, while 6 units might be expected to come vacant in the same year, leaving a broad equilibrium.

120. Even though Lakenheath has a low proportion of social rent in the existing housing stock at 9%, this is 188 units (and likely to be higher today than these 2011 numbers). This is a relatively high raw number of units in relation to the number of applicants on the housing register.

121. An important caveat to this finding is that there are demonstrably households currently in need in Lakenheath, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten years' time once a sufficient surplus has been built up. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future Affordable Housing provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there will be a need for Affordable Housing across West Suffolk as a whole, and it is reasonable to expect Lakenheath to satisfy some of that need (for example those expressing a preference but without a local connection).

122. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.

123. As such, it is recommended that Lakenheath seeks to deliver some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district if Lakenheath's households are already accommodated. It is understood that funds donated by the owners of Lakenheath Hall have been made available to WSC for the specific purpose of delivering affordable rented housing in the parish.

Table 4-7: Estimate of need for Affordable Housing for rent in Lakenheath

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	79.0	Latest waiting list data from WSC.
1.2 Per annum	4.4	Step 1.1 divided by the plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	221.0	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	15.7%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in parish	203.6	2011 Census + LA-level % increase
2.2.2 Number of private renters on housing benefits	68.9	Housing benefit caseload May 2018. Pro rata for NA
2.3 New households unable to rent	34.6	Step 2.1 x Step 2.2
2.4 Per annum	1.9	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	6.1	Step 3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall per annum	0.2	Step 1.2 + Step 2.4 - Step 3.2

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

4.4.2 Affordable home ownership

124. Turning now to Affordable Housing providing a route to home ownership, Table 4-8 below estimates the potential demand in Lakenheath. This model aims to estimate the number of households might wish to own their own home but cannot afford to. In most other locations, this would be the 'can rent, can't buy' group, but as demonstrated

above, this label is relatively inappropriate in Lakenheath where renting is as expensive as buying. Nevertheless, the model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

125. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. The result of the calculation is around 26 (rounded) households per annum who may be interested in affordable home ownership (or 449 for the entirety of the Plan period).

126. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in Lakenheath currently. The potential current and future demand is fairly large and not mitigated at all by turnover, meaning that additional provision could be required.

127. However, it is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing. That said, we have observed the high cost of renting in Lakenheath and it is likely that this tenure will become less accessible over time, leading to a larger potential market for affordable home ownership if this can be delivered at price points that are genuinely affordable to local people.

Table 4-8: Estimate of the potential demand for affordable housing for sale in Lakenheath

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	615.6	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	11.2%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in parish	69	Step 1.1 x Step 1.2
1.4 Current need (households)	410.0	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	22.8	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	221.0	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	18.3%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	40.5	Step 2.1 x Step 2.2
2.4 Total newly arising need per annum	3.1	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	1	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	0.1	Step 3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	25.8	(Step 1.5 + Step 2.4) - Step 3.2

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

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

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

4.4.3 Affordable Housing policy guidance

130. Forest Heath's adopted policy on this subject (CS9) requires 30% of housing on large sites (10 or more dwellings or over 0.33 ha) to be affordable. It is understood that this target is not usually met on sites in and around Lakenheath, with developer negotiations and viability statements seeking to reduce the proportion of homes that will be affordable. This is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in Lakenheath, and every effort should be made to maximise delivery where viable.

131. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence. The HNA can supply that evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Lakenheath.

132. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

A. **Evidence of need for Affordable Housing**: This study estimates that Lakenheath has limited long-term need for affordable rented housing because turnover might satisfy newly arising need. However, there is currently a backlog of need that should be addressed. We also estimate a high potential demand for affordable home ownership in future years.

   It is not recommended to strictly limit the future provision of affordable rented housing for the following reasons: there is currently a backlog of need from 79 households; the wider district continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice.

   However, there is justification to seek a relatively ambitious proportion of affordable home ownership to bridge the gap for the many households who may not be eligible for affordable rented housing but cannot afford to rent or purchase their own home without assistance. Furthermore, a majority of affordable home ownership products have been found to be helpful in widening housing access to those earning at and below the average locally.

B. **Can Affordable Housing needs be met in full?** If 663 is taken as the minimum scale of new housing delivery over the coming decades, this should deliver almost 200 units of Affordable Housing (if 30% of the new homes are provided as affordable according to Policy CS9). This could easily satisfy the current backlog of need for rented homes, and go some way to addressing the potential scale of demand for affordable routes to home ownership. It would appear worthwhile to earmark enough affordable rented homes to meet current needs, with a substantial remainder offering routes to ownership.

C. **Government policy (NPPF) requirements**: current NPPF policy requires 10% of all homes to be delivered for affordable home ownership – a stipulation repeated in the GNLP. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that this is the case in Lakenheath. Indeed, there is a strong case to increase the proportion above this mandated minimum.

D. **Emerging policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been confirmed and will be enacted through a ministerial statement in due course. A minimum of 25% of all Affordable Housing secured through developer contributions should be First Homes. This may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing.

   After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

   First Homes appear to be an appropriate product in the parish, so the introduction of this requirement will not be expected to have any adverse effects.

E. **Local Plan policy**: As noted above, the adopted Local Plan seeks a tenure split in line with evidence, with no default target.

F. **Viability**: HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in policy CS9 and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.

G. **Funding**: the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The Neighbourhood Plan Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

H. **Existing tenure mix in Lakenheath**: Lakenheath has a proportion of social renting far below the district and national rates, indicating an undersupply of this tenure that it may be beneficial to counteract. This is another good reason to continue supplying affordable rented homes even if the long-term need might be low. However, it is also true that the parish rate of shared ownership (at 0% in 2011) is far below the norm in other areas, and presents another opportunity to diversify the tenure mix overall. These two pieces of evidence strongly justify the provision of Affordable Housing, no-matter what specific form it takes: both social rent and shared ownership have room to grow.

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

J. **Wider policy objectives**: the Neighbourhood Plan Group may wish to take account of broader policy objectives for Lakenheath and/or wider West Suffolk. These could include, but are not restricted to, policies to attract younger households, families or working age people to the parish. These wider considerations may influence the mix of Affordable Housing provided.

133. On the basis of the considerations above, Table 4-9 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. This mix is recommended whether or not the Neighbourhood Plan is adopted before the implementation period for First Homes ends, since First Homes or equivalent discounted market housing represents a valuable addition to the mix in Lakenheath.

134. The requirement that a minimum of 25% of Affordable Housing should be delivered as First Homes will not impact on the ability of London Colney to accommodate those with the most acute needs, and does not affect the recommended mix given here.

135. This indicative mix is chiefly a response to the fact that Lakenheath is expecting a relatively significant volume of development in the Plan period, combined with the understanding that there is limited long-term need but substantial current need for affordable rent, and potentially very high demand for affordable home ownership products. Effectively, the headline balance between rent and ownership is based on the relationship between the 80 households currently in need of affordable rent and the roughly 200 units that might be expected through the currently planned applications. 40% of 200 would result in 80 rented homes. If the affordable portion of development is consistently below the policy requirement, it might be beneficial to increase this percentage.

136. It is not advisable to limit affordable rented provision entirely in case circumstances change and because there are currently households on the waiting list. But there is scope to boost the provision of tenures providing an affordable route to ownership, which this analysis has found to be broadly affordable to local people on average and below-average incomes.

137. Since shared ownership and First Homes appear equally useful in widening housing access based on local incomes, while rent to buy – if priced similarly to current market rents – would not be affordable, it is recommended that affordable home ownership tenures be relatively evenly split between shared ownership and First Homes.

138. It should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.

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

Table 4-9: Indicative Affordable Housing tenure mix for Lakenheath

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	**60%**	
First Homes[10]	30%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	30%	Proposed changes to the model to allow purchases of 10% share[11] - impact on viability unknown Registered Providers' business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	0%	Emerging product with popularity and effectiveness as yet unproven. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	**40%**	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area, and which sub-tenure (social or affordable rent) is prioritised by the LPA.
Affordable rent	To be set by Registered Providers	

Source: AECOM calculations

4.5 Conclusions- Tenure and Affordability

Affordability issues

140. Lakenheath's current tenure mix reveals a relative undersupply of Affordable Housing. The parish had, at the time of the 2011 Census, a higher rate of home ownership than Forest Heath and England and similar rates of private renting, but no shared ownership and 50% less social renting than the district.

141. Between the 2001 and 2011 Censuses, the parish experienced an 88% increase in private renting. This trend, which reflects the pattern nationwide, points to the declining affordability of home ownership, which is borne out in house price data.

142. In Lakenheath this driver is likely to be intertwined with evolving occupancy patterns in relation to the air base. It is understood that the large number of USAF personnel, combined with the relatively small amount of air base accommodation and the short duration of deployments, translates into a large market of renters in Lakenheath itself. This large source of demand is likely to drive up rental prices in the parish, which in turn makes renting out a property a more attractive option for local owner-occupiers if they have the ability to do so.

143. The challenge for the parish has a number of dimensions. First, this creates competition in the rental market for local people. Second, the rising proportion of rented accommodation can limit the quantity of homes that may be available for sale, potentially driving up prices in the sales market also. The more households who cannot access market tenures, the more need there will be for subsidised affordable and social rented homes.

[10] In the event that the Neighbourhood Plan is adopted before the end of the implementation period for First Homes, or if the First Homes product does not go forward , the proportion of Affordable Housing allotted to First Homes could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table. In the case of the former (the neighbourhood plan being adopted before the implementation period ends), it is always advisable to reflect the direction of travel in emerging policy where possible.

[11] https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes

144. The most obvious solution to these challenges is more housing delivery overall, which would provide a greater number and wider range of options that could be taken up by local people as well as air base personnel, and may also help to counter price rises. However, this solution comes with its own difficulties, such as pressure on local infrastructure, competition in an already limited jobs market and the inevitable price premium on new housing that may bring it out of reach for certain income groups.

145. Home values in Lakenheath have steadily increased over the last ten years, with the result that the average entry-level home now costs around £54,000 more than in 2011. The current median house price is £189,000, and the average growth rate for all housing between 2011 and 2020 was 55%. It is worth noting that Lakenheath's 2020 median price this is 24% cheaper than that for West Suffolk as a whole, at £248,000. While housing may be more affordable here than across the wider district, it is clearly becoming less affordable over time.

146. Land Registry data suggests that no new homes were sold in the parish between 2016 and 2020. Based on price trends across West Suffolk, we estimate that a new build premium of around 37% on existing house prices might be expected. This is a potentially serious impediment to the potential to resolve the housing challenges in Lakenheath through the construction of new homes.

Tenure options

147. AECOM has estimated the annual income required to afford various tenures of housing in the parish – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Lakenheath is £36,000, and the lower quartile income (per person) for former Forest Heath was £16,417 in 2019.

148. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the parish. Home ownership through the mainstream market is not an option for the majority of local people. Indeed, given the relative lack of employment opportunities within the parish itself, it is reasonable to expect that most purchasers of market housing will either be commuters (bringing infrastructure consequences) or retirees.

149. Unusually, private renting in Lakenheath is no more affordable than home ownership, remaining out of reach for households on average incomes. This problem is exacerbated by the inelasticity of rental costs by property size: there appears to be comparatively little additional cost to access homes with additional bedrooms, perhaps because such a large segment of demand comes from USAF personnel without children and with less need for larger rental homes.

150. There is little planning policy can do to surmount this affordability challenge in the private rented sector, other than to encourage modestly sized homes to come forward. There are no products designed specifically for making renting more affordable, without this being a means to the end of eventual ownership. However, providing more affordable and social rent can help to protect the people who are unable to afford private renting altogether.

151. There is a very small segment of households who might be able to afford to rent an average 2 bedroom property but not to buy an equivalent home. The 'can rent, can't buy' cohort therefore does not consist of people in a particular income band; rather, the ability to buy is likely driven more by the availability of savings to be used for a deposit and is likely restricted to above average earners in any case.

152. Nevertheless there remains a good opportunity to expand access to home ownership to lower earners by building affordable routes to home ownership such as shared ownership and the new First Homes product, which appear to be suitable locally.

153. Affordable rented housing in Lakenheath is comfortably affordable to households with two lower earners (average earning households are unlikely to be eligible). That is if affordable rents are set in relation to Local Housing Allowance levels rather than at 80% of commercial rents. Negotiations for upcoming sites in Lakenheath stipulate that both measures are to be considered when setting rent levels, but it is worth noting that this may restrict occupancy to those on benefits as opposed to those not considered eligible or in worth but still unable to afford 80% of market rents.

154. Households with a single lower earner appear unable to afford any of the tenures considered. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefits.

Quantity of Affordable Housing needed

155. This report estimates Lakenheath's Affordable Housing needs through two calculations that use locally-specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.

156. There are currently 79 Lakenheath households on West Suffolk's Affordable Housing register. Despite this backlog of need, the HNA estimate suggests Lakenheath will have almost enough vacancies in the existing stock to accommodate newly arising need to 2040.

157. In practice, it would be better to frontload any future rented Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a need for Affordable Housing across the district as a whole, and it is reasonable to expect Lakenheath to satisfy some of that need (whether from local households or those elsewhere in the district).

158. As such, it is recommended that the Neighbourhood Plan seeks to secure some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in West Suffolk.

159. Turning to Affordable Housing providing a route to home ownership, we estimate that around 26 households per year may be interested in such products (equating to a total of 449 over the Plan period to 2040). It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

160. That said, we have observed the high cost of renting in Lakenheath and it is likely that this tenure will become less accessible over time, leading to a larger potential market for affordable home ownership if this can be delivered at price points that are genuinely affordable to local people.

Policy considerations

161. Forest Heath's adopted policy in relation to Affordable Housing (Policy CS9) requires 30% of housing on large sites (10 or more dwellings or over 0.33 ha) to be affordable. It is understood that this target is not usually met on sites in and around Lakenheath, with developer negotiations and viability statements (often successfully) seeking to reduce the proportion of homes that will be affordable. This is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in Lakenheath, and every effort should be made to maximise delivery.

162. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left in the Local Plan as a matter to be informed by the latest evidence. The HNA can supply that evidence.

163. On the balance of factors listed in section 4.4.3 of this report, AECOM recommends that roughly 40% of Affordable Housing should take the form of rented tenures such as social and affordable rent, with the remaining 60% as affordable routes to home ownership, split evenly between shared ownership and the new First Homes product. Contributing factors to this recommendation are as follows:

- This study estimates that Lakenheath has limited long-term need for affordable rented housing because natural turnover in the existing stock may well be able to satisfy newly arising need.
- However, It is not recommended to strictly limit the future provision of affordable rented housing because there is currently a backlog of need from 79 households; the wider district continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice.
- We also estimate a high potential demand for affordable home ownership in future years.
- There is justification to seek a relatively ambitious proportion of affordable home ownership to bridge the gap for the many households who may not be eligible for affordable rented housing but cannot afford to rent or purchase their own home without assistance. Furthermore, a majority of affordable home ownership products have been found to be helpful in widening housing access to those earning at and below the average locally.
- If 663 is taken as the minimum scale of new housing delivery over the coming decades, this should deliver almost 200 units of Affordable Housing (if 30% of the new homes are provided as affordable according to Policy CS9, which may be challenging to achieve). This could satisfy the current backlog of need for rented homes, and go some way to addressing the potential scale of demand for affordable routes to home ownership.

- Lakenheath has a proportion of social renting far below the district and national rates, indicating an undersupply of this tenure that it may be beneficial to counteract. The parish rate of shared ownership (at 0% in 2011) is also far below the norm in other areas, and presents another opportunity to diversify the tenure mix overall. These two pieces of evidence strongly justify the provision of Affordable Housing, no-matter what specific form it takes: both social rent and shared ownership have room to grow.

Delivery expectations

164. Table 4-10 below summarises Lakenheath's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing delivery expectation for the area to the Local Plan policy requirement, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were rigidly enforced.

165. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the Neighbourhood Plan Group plan for more housing (and therefore more affordable housing) than the local plan, or decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-10: Estimated delivery of Affordable Housing in Lakenheath over the Plan period

	Step in Estimation	**Delivery expectation**
A	Delivery expectations (minimum, consisting of allocations in the Local Plan but not older commitments)	663
B	Affordable housing quota (%) in the Forest Heath Core Strategy	30%
C	Potential total Affordable Housing in NA (A x B)	199
D	Rented % (e.g. social/ affordable rented)	40%
E	Rented number (C x D)	80
F	Affordable home ownership % (e.g. First Homes, shared ownership)	60%
G	Affordable home ownership number (C x F)	119

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

5. RQ 2: Type and Size

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

5.1 Introduction

166. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Lakenheath in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate in Lakenheath going forward.

167. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

5.2 Existing types and sizes

5.2.1 Background and definitions

168. Before beginning our consideration of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.

169. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no 'need' for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.

170. The best proxy for the number of people in a household is age or 'life stage', with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.

171. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

5.2.2 Dwelling type

172. The latest data shows that Lakenheath has a large number of bungalows (over 40% of all homes), and that there are relatively similar numbers of other house types, but fewer flats (see Table 5-1 below). Census 2011 data is also presented, but this unfortunately cannot be used to understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently. Note also that VOA data is rounded to the nearest 10 in each dwelling category (hence the apparent decline in the number of flats, which is really a rounding issue).

173. It can be understood from the Census data that a majority of today's bungalows are detached bungalows or terraces, with detached housing remaining the dominant option in Lakenheath.

Table 5-1: Accommodation type, Lakenheath, 2011 and 2020

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	1,410
Flat	53	50
Terrace	196	850
Semi-detached	586	560
Detached	1,412	590
Unknown/other	-	40
Total	2,253	3,500

Source: ONS 2011, VOA 2020, AECOM Calculations

It is useful to compare the mix of dwelling types in percentage terms with wider geographies (Table 5-2 below). Note that the VOA data still captures Forest Heath rather than the merged West Suffolk authority. In addition to a far greater proportion of bungalows which obscure conclusions about the relative density of housing, Lakenheath has a significantly lower proportion of flats and likely more detached and terraced homes given that these are the most common forms of bungalows.

It is worth noting that the large stock of bungalows represents a strong offering for households with mobility challenges who may not be able to use stairs, though it is not necessarily a given that a bungalow will be completely accessible (e.g. for an occupant using a wheelchair).

Table 5-2: Accommodation type, various geographies, 2020

Dwelling type	Lakenheath	Forest Heath	England
Bungalow	40.6%	25.8%	9.4%
Flat	1.4%	12.0%	23.0%
Terrace	24.5%	24.9%	26.4%
Semi-detached	16.1%	16.9%	23.8%
Detached	17.0%	18.5%	15.9%
Unknown/other	1.2%	2.0%	0.8%

Source: VOA 2020, AECOM Calculations

5.2.3 Dwelling size

174. Table 5-3 below sets out current the mix of housing by number of bedrooms in Lakenheath. It is dominated by mid-sized homes with 2-3 bedrooms. 2011 Census data is presented alongside, which shows that development since 2011 (and/or the additional homes included within the air base) has been focused on the most common existing size categories, further exaggerating the imbalance towards medium sized homes, with few larger homes introduced and extremely few 1 bedroom dwellings introduced.

175. Note that the totals in both datasets vary between the metric of dwelling type and dwelling size. It is understood that this is because it is easier to determine what type a dwelling falls into than how many bedrooms it has internally (something which can also change over time). More dwellings therefore have an unknown number of bedrooms than type.

Table 5-3: Dwelling size (bedrooms), Lakenheath, 2011 and 2020

Number of bedrooms	2011 (Census)	2020 (VOA)
1	94	110
2	763	1,240
3	942	1,640
4+	294	440
Total	2,096	3,430

Source: ONS 2011, VOA 2020, AECOM Calculations

176. Again it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 below shows that Lakenheath has a generally less evenly balanced stock of homes than Forest Heath, with a particularly low share of 1 bedroom homes by comparison and fewer 4+ bedroom properties. The parish mix is even more different to the national average, which includes more 1 bedroom homes.

Table 5-4: Dwelling size (bedrooms), various geographies, 2020

Number of bedrooms	Lakenheath	Forest Heath	England
1	3.2%	8.3%	12.0%
2	35.7%	33.5%	27.7%
3	47.3%	39.7%	43.0%
4+	12.7%	16.2%	15.2%

Source: VOA 2020, AECOM Calculations

5.3 Age and household composition

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

5.3.1 Age structure

178. Table 5-5 below shows the most recent estimated age structure of the Lakenheath population, alongside 2011 Census figures. The key change over the last eight years is a significant increase in the number of children and a moderate pattern of ageing, with those aged 25-64 remaining the largest group despite declining as a proportion of all people.

179. Note that ONS advises exercising caution with population estimates by singe year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

180. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used below.

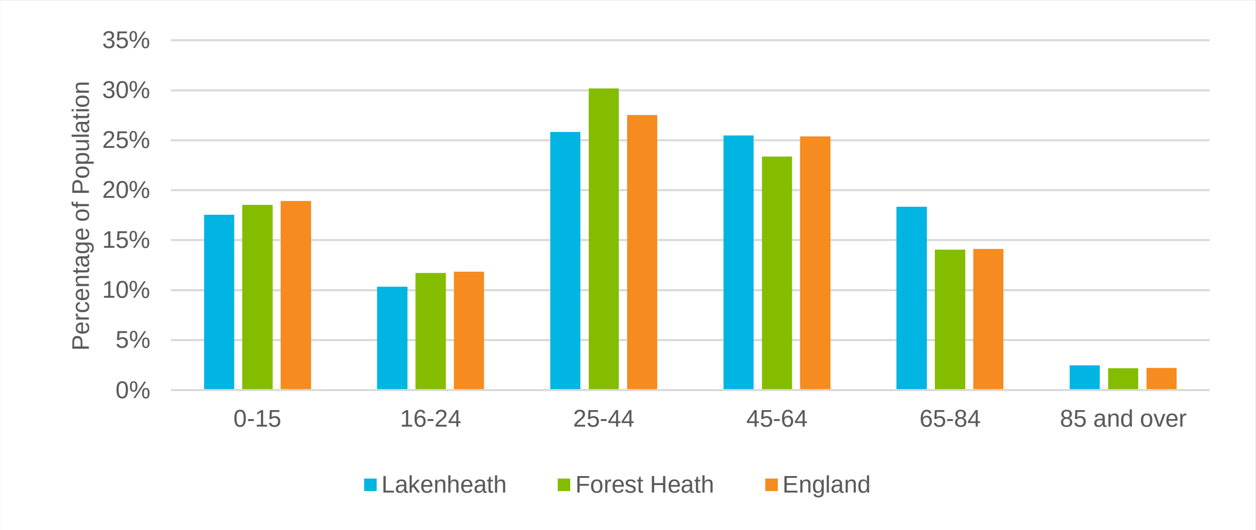
Table 5-5: Age structure of Lakenheath population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	823	17.5%	1,122	21.8%
16-24	485	10.3%	559	10.9%
25-44	1,212	25.8%	1.166	22.6%
45-64	1,195	25.5%	1,144	22.2%
65-84	860	18.3%	1,008	19.6%
85 and over	116	2.5%	150	2.9%
Total	4,691		5,149	

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

181. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the parish population was consistently older than the Forest Heath average (more people in older age groups and fewer people in younger ones). A particularly large 65-84 cohort in 2011 is a driver of the slight increase in the older age groups in 2019.

Figure 5-1: Age structure in Lakenheath, 2011



Source: ONS 2011, AECOM Calculations

5.3.2 Household composition

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

183. Table 5-6 below shows that in 2011 Lakenheath had a similar proportion of one person households as the district, which was lower than the country as a whole. In line with the other geographies, a significant majority of one-person households in Lakenheath were younger than 65. Of the parish's family households, the majority are younger than 65 and slightly more of them have dependent children than do not. These characteristics are broadly in line with the picture at wider geographies.

184. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 13% between 2001 and 2011 in the parish – a slightly higher rate than the national average.

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

Household composition		Lakenheath	Forest Heath	England
One person household	**Total**	28.7%	28.5%	30.2%
	Aged 65 and over	11.8%	11.5%	12.4%
	Other	16.8%	17.1%	17.9%
One family only	**Total**	66.5%	64.6%	61.8%
	All aged 65 and over	11.5%	8.6%	8.1%
	With no children	22.9%	21.7%	17.6%
	With dependent children	23.6%	26.2%	26.5%
	All children Non-Dependent	8.5%	8.1%	9.6%
Other household types	**Total**	4.9%	6.8%	8.0%

Source: ONS 2011, AECOM Calculations

5.4 Suggested future dwelling size mix

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

- The starting point is the age distribution of Lakenheath households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the parish population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given. However, there is no better indication of what those patterns might look like.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the parish. From this we can identify how future development might best fill the gaps.
  - In this unusual example, the 2020 dwelling total is already larger than the modelled future number of households. The current size distribution of that housing is therefore applied to the 2011 total number of households, so that the proportions are current, but the number of households set at a more realistic level that works with this model.

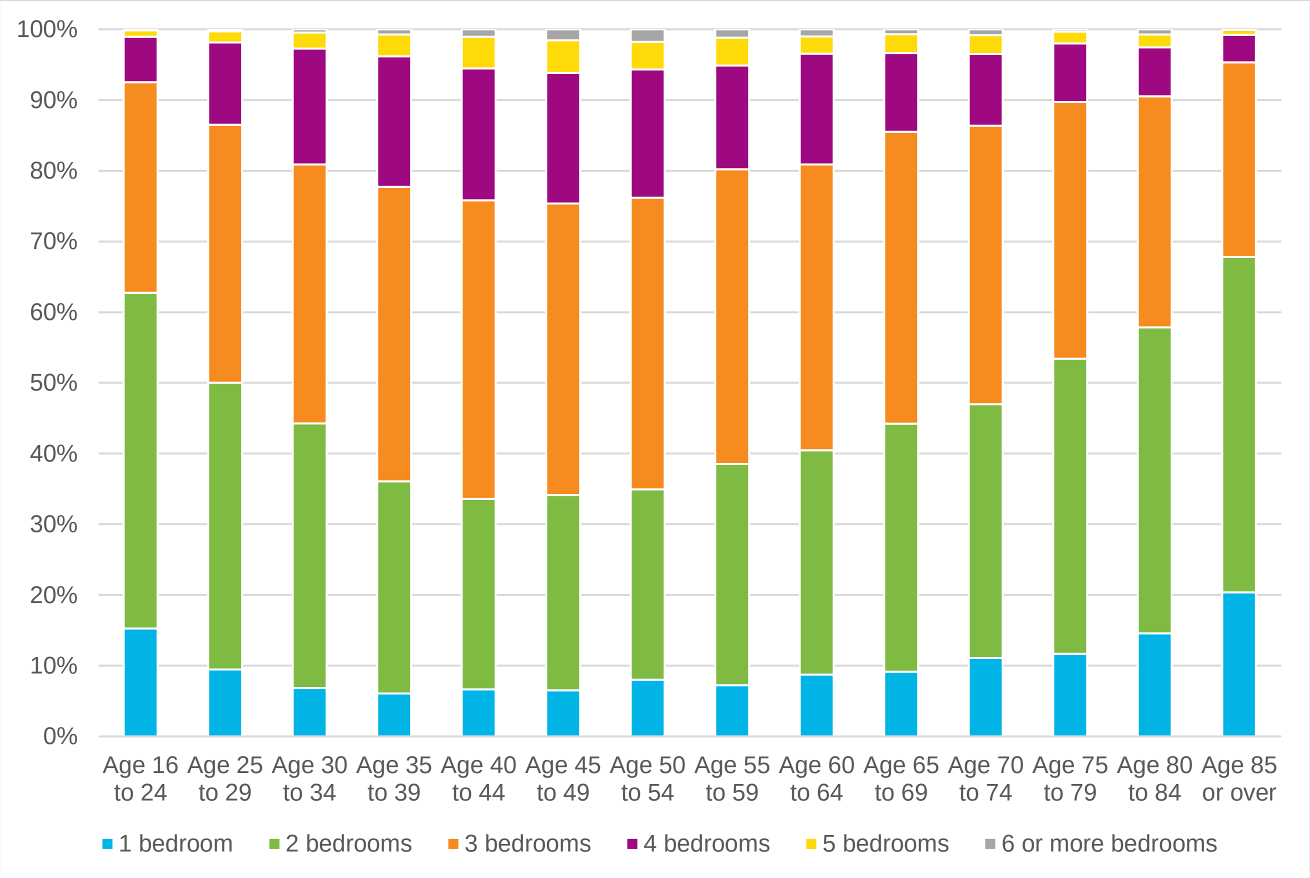
186. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of

occupancy which may or may not be desirable. It is therefore appropriate for this to be taken as a baseline scenario – what would occur if current trends continued. It may well be the intention of the community to intervene to produce a different outcome more in line with their place- and community-shaping objectives.

187. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

188. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Forest Heath in 2011. This shows how the youngest households occupy the smallest dwellings, before quickly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes as they age.

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



Source: ONS 2011, AECOM Calculations

189. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Lakenheath households (only available for 2011). Table 5-7 below makes clear that population growth can be expected to be driven by the oldest households, with the 65 and over category nearly doubling from 2011 levels to become by far the dominant group at 47% of the projected total, while all other groups experience much gentler growth.

Table 5-7: Projected distribution of household life stages, Lakenheath, 2011-2040

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	117	335	648	371	625
2018	102	339	624	402	753
2040	112	358	610	409	1,043
% change 2011-2040	-4%	7%	-6%	10%	67%

Source: AECOM Calculations

190. The final result of this exercise is presented in Table 5-8. The model suggests that new development should be relatively evenly balanced aside from a complete absence of the 3 bedroom homes that can be considered oversupplied at present.

Table 5-8: Suggested dwelling size mix to 2040

Number of bedrooms	Current (2020) distribution	Target (2040) distribution	Balance of new housing to reach target mix
1	3.2%	10.0%	38.4%
2	35.7%	35.9%	32.8%
3	47.3%	38.1%	0.0%
4+	12.7%	16.0%	28.8%

Source: Census 2011, AECOM Calculations

191. Effectively, this result corrects imbalances in the existing stock of housing, particularly the low number of 1 bedroom homes and undersupply of 4+ bedroom homes compared with district levels. The greater emphasis on 1 and 2 bedroom homes reflects the projected ageing of existing residents as well as the growth in the youngest segments of the population – both of which may need smaller homes.

192. The result of this model is a relatively blunt measure of what sizes could be beneficial given population change and existing imbalances in housing options. It is not able to address the more nuanced needs of the future population. For example, the young starter families and downsizing older households mentioned above may both need ‘smaller’ homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.

193. This evidence also does not reflect other constraints and issues that might have a bearing on the demographic makeup and housing needs of Lakenheath residents going forward, such as the capacity of infrastructure and public transport or the availability of employment that might attract young people to remain in the parish or not. These wider factors and any other priorities of the community can be layered on top of the above starting point to reach a dwelling mix that best meets local needs.

5.5 Conclusions- Type and Size

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

The existing stock

195. Lakenheath has a relatively homogenous stock of housing: it is characterised by a large proportion of bungalows (mostly detached and terraced) and a lack of flats, and the vast majority of homes have 2 or 3 bedrooms (with the latter particularly overrepresented compared to the wider district and country).

196. Recent development has mainly exaggerated existing imbalances with increases in 2-3 bedroom homes, although trends from 2011 to 2020 may be skewed by a discrepancy in the 2020 data source that includes a small additional area adjacent to the parish. There may be capacity to usefully increase the number of homes with 1 bedroom in particular, if this is proven to be in demand with local people (such as young people looking for a first step on the property ladder).

197. While terraces might be another appropriately affordable choice for young families, 83% of homes in Lakenheath currently have 2-3 bedrooms (the most common sizes for terraced homes). To a degree, the need for more affordable options for young families and downsizers is in conflict with the imperative to widen housing choice by delivering size categories that are less abundant at present (particularly 1 bedroom and 4+ bedrooms).

198. It should be emphasised that this analysis focuses on gaps and imbalances in existing housing. The priorities of the community and considerations of design, character and the availability of suitable land should also feature in any policy decisions in this area.

Demographics

199. The age structure of the population is a key indicator of the future need for housing. As of 2019 Lakenheath has a relatively well-balanced population, with very similar proportions falling into the 25-44, 45-64 and 65+ age bands and a large cohort of young people. That said, the population profile is older than that of Forest Heath or England. Since the 2011 Census there have been notable increases in the number of children and those aged 65+.

200. While only around 150 residents are aged over 85 at present, today's large 45-84 cohort is likely to produce an ageing population in 2040 that will further embed the ageing trend. Older people could become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. Applying Forest Heath household projections to the Lakenheath population suggests that by 2040 the 65+ group could increase by two third while all other age groups increase by less than 10%.

The future dwelling mix

201. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a relatively even balance of home sizes, aside from the 3 bedroom category which appears to be oversupplied at present.

202. The HNA modelling also indicates substantial need for smaller properties with 1-2 bedrooms, which could help to accommodate the cohort of young people as and when they move out from family homes, as well as improve affordability more widely. That said, it would be worth testing actual demand for 1 bedroom homes, which are of mixed popularity nationwide, as well as bearing in mind any limitations on the construction of flats (which are best suited to 1 bedroom accommodation) in a rural location where this may not be in keeping with Lakenheath's character.

203. While housing choice would certainly be widened and large families better accommodated if larger homes (4+ bedrooms) were delivered in the parish, this finding is driven more by parish's current lack of larger homes than by expected demographic trends.

204. This approach also embeds existing patterns of occupancy which may or may not be desirable. It is therefore appropriate for these conclusions to be understood as a baseline scenario – what should happen if current trends were to continue. However, there are other reasons that would justify departing from the recommendation generated by the model used here.

Further considerations

205. For example, the preceding chapter found that affordability is a serious and worsening challenge in Lakenheath. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.

206. It is also overly simplistic to think about home sizes in terms of the number of bedrooms offered. There is a significant contrast between a 4 bedroom 'executive' home with a luxury specification on a large rural plot and a 4 bedroom townhouse suitable for a large family on a lower income.

207. While the large cohort of older households expected to be present by 2040 may wish to downsize from their existing homes, there is already a plentiful stock of 2 and 3 bedroom homes in the parish, and 1 bedroom homes are unlikely to be appealing to most older households. To best meet their needs it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. If not, further 2-3 bedroom homes, if well-designed, would make a valuable contribution to the existing mix, and 3 bedroom dwellings should not be inhibited entirely (despite the results of the HNA model).

208. In conclusion, there are good reasons for all sizes of home to be encouraged in Lakenheath in future years. It is recommended that the Neighbourhood Plan encourage additional provision of appropriately priced smaller homes to address the present undersupply and accommodate young families and older people. However, this

should be done as part of a dwelling size mix that is balanced overall and which meets the needs all household life stages and circumstances.

209. It is also important that consideration is given to qualitative evidence about the needs of local people and the community’s wider priorities. It may well be the intention of the community to intervene to produce a different outcome than is suggested in the secondary evidence gathered here, and that would be more in line with their place- and community-shaping objectives. The recommendations in this section represent a starting point for further thought and consultation.

6. Conclusions

6.1 Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	Lakenheath's current tenure mix reveals a relative undersupply of Affordable Housing compared to Forest Heath and England. Between the 2001 and 2011 Censuses, the parish experienced an 88% increase in private renting. Home values in Lakenheath have steadily increased over the last ten years, with the result that the average entry-level home now costs around £54,000 more than in 2011. The current median house price is £189,000, and the average growth rate for all housing between 2011 and 2020 was 55%. While housing may be more affordable here than across the wider district, it is clearly becoming less affordable over time. Based on price trends across West Suffolk, we estimate that a new build premium of around 37% on existing house prices might be expected. The large source of demand for rental properties from air base personnel is a likely cause of high rental prices in the parish. The average household income in Lakenheath is £36,000, and the lower quartile income (per person) for former Forest Heath was £16,417 in 2019. A local household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the parish. Unusually, private renting in Lakenheath is no more affordable than home ownership, remaining out of reach for households on average incomes.	There are currently 79 Lakenheath households on West Suffolk's Affordable Housing register. Despite this backlog of need, the HNA estimate suggests Lakenheath will have almost enough vacancies in the existing stock to accommodate newly arising need to 2040. As such, it is recommended that the Neighbourhood Plan seeks to secure some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in West Suffolk. Turning to Affordable Housing providing a route to home ownership, we estimate that around 26 households per year may be interested in such products (equating to a total of 449 over the Plan period to 2040). It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. That said, we have observed the high cost of renting in Lakenheath and it is likely that this tenure will become less accessible over time, leading to a larger potential market for affordable home ownership if this can be delivered at price points that are genuinely affordable to local people. On the balance of factors listed in section 4.4.3 of this report, AECOM recommends that roughly 40% of Affordable Housing should take the form of rented tenures such as social and affordable rent, with the remaining 60% as affordable routes to home ownership, split evenly between shared ownership and the new First Homes product.

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	Lakenheath has a relatively homogenous stock of housing: it is characterised by a large proportion of bungalows (mostly detached and terraced) and a lack of flats, and the vast majority of homes have 2 or 3 bedrooms (with the latter particularly overrepresented compared to the wider district and country). Recent development has mainly exaggerated existing imbalances with increases in 2-3 bedroom homes. As of 2019 Lakenheath has a relatively well-balanced population, with very similar proportions falling into the 25-44, 45-64 and 65+ age bands and a large cohort of young people. That said, the population profile is older than that of Forest Heath or England. Since the 2011 Census there have been notable increases in the number of children and those aged 65+. While only around 150 residents are aged over 85 at present, today's large 45-84 cohort is likely to produce an ageing population in 2040 that will further embed the ageing trend. Applying Forest Heath household projections to the Lakenheath population suggests that by 2040 the 65+ group could increase by two third while all other age groups increase by less than 10%.	The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a relatively even balance of home sizes, aside from the 3 bedroom category which appears to be oversupplied at present. The HNA modelling also indicates substantial need for smaller properties with 1-2 bedrooms, which could help to accommodate the cohort of young people as and when they move out from family homes, as well as improve affordability more widely. While the large cohort of older households expected to be present by 2040 may wish to downsize from their existing homes, there is already a plentiful stock of 2 and 3 bedroom homes in the parish, and 1 bedroom homes are unlikely to be appealing to most older households. To best meet their needs it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. If not, further 2-3 bedroom homes, if well-designed, would make a valuable contribution to the existing mix, and 3 bedroom dwellings should not be inhibited entirely (despite the results of the HNA model). In conclusion, there are good reasons for all sizes of home to be encouraged in Lakenheath in future years. It is recommended that the Neighbourhood Plan encourage additional provision of appropriately priced smaller homes to address the present undersupply and accommodate young families and older people. However, this should be done as part of a dwelling size mix that is balanced overall and which meets the needs all household life stages and circumstances.

6.2 Recommendations for next steps

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

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

213. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

214. Bearing this in mind, it is recommended that the Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, WSC or any other relevant party and review the

Neighbourhood Plan accordingly to ensure that general conformity is maintained.

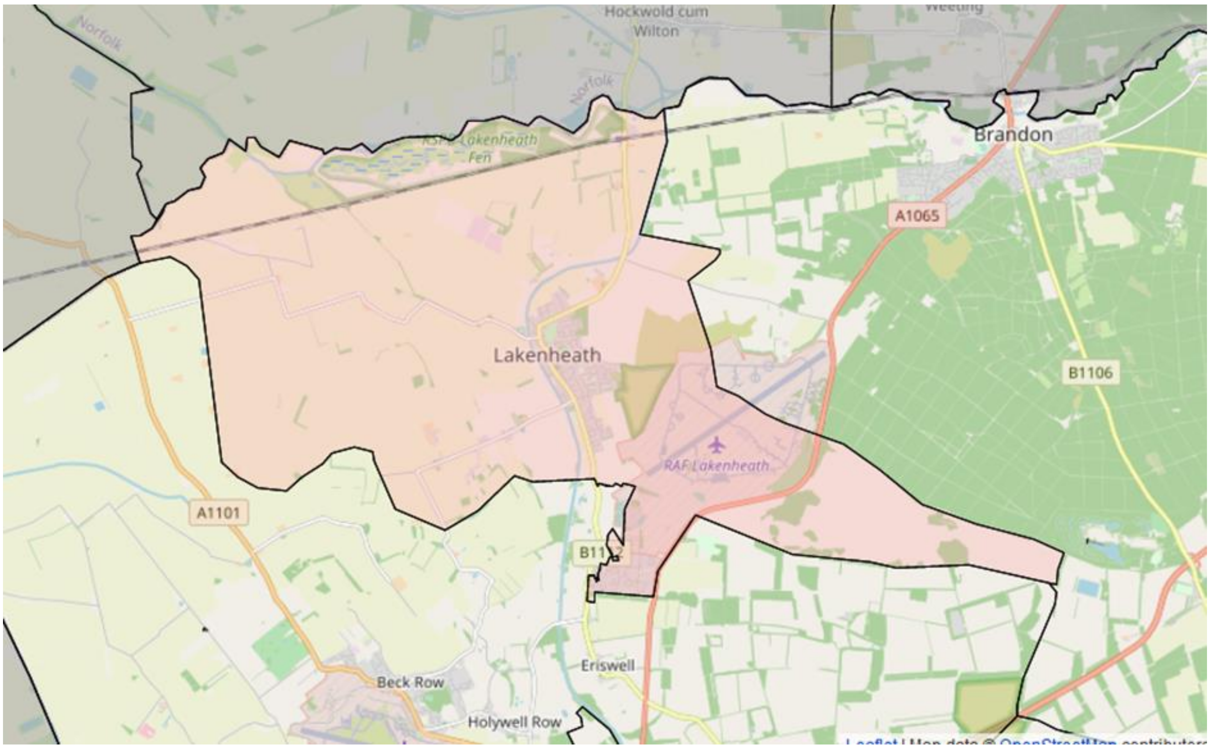
215. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of affordability thresholds

A.1 Income data geography

216. As noted in the Tenure and Affordability chapter, local income data is only available at the scale of the Medium Super Output Area (MSOA). In this case the relevant MSOA (Forest Heath 002) is a very good fit for the parish, only including a relatively small additional area around the American Elementary School. A map of this area is given as Figure A-1 below).

Figure A-1: MSOA Forest Heath 002, used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

217. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.

218. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

219. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

220. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Lakenheath, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer.

221. The calculation for the purchase threshold for market housing is as follows:

- Value of median parish house price (2020) = £189,000;

- Purchase deposit at 10% of value = £18,900;
- Value of dwelling for mortgage purposes = £170,100;
- Divided by loan to income ratio of 3.5 = purchase threshold of £48,600.

222. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £160,000, and the purchase threshold is therefore £41,143.

223. Finally, it is worth assessing the purchase threshold for a new build home, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in Lakenheath since 2016 – itself an indication of limited housing choice. Because 2016 data is relatively old, it is necessary to instead review the sales prices of new build housing for the Local Authority area as a whole.

224. As mentioned in the main body of the report, the Local Authority area for which data has been gathered on house prices is for Forest Heath up to 2018 (inclusive) and for West Suffolk from 2019 onwards.

225. The average sale price for new build housing across West Suffolk in 2020 was £308,805 – substantially higher than the average price for existing homes in Lakenheath. However, this overall average reflects a high representation of more expensive detached housing. When this data is interrogated by house type, it is clear that more dense house types are more affordable. For instance, the average new build terraced house cost £285,024 compared with £392,006 for detached homes, and £235,292 for flats. Curiously, the average semi-detached price at £276,783 was lower than the average for terraced housing.

226. When thinking about the expected cost of new build housing in Lakenheath in future, it is most useful to refer to the cost of a terraced home, since this type is most likely to offer accommodation to those on lower incomes with ownership aspirations, such as young starter families. This can be thought of as the equivalent of an entry-level home.

227. There were 19 sales of newly built terraces in West Suffolk in 2020, with an average value of £285,024. The purchase threshold for new build entry-level housing across the district is therefore £73,292. However, this measure of housing costs is not specific to Lakenheath, which may have different land values and demand patterns to West Suffolk as a whole – meaning that new build housing in Lakenheath could be more or less expensive than this benchmark in practice.

228. In order to identify a benchmark for the cost of new build housing that is more likely to be accurate in reality, the median overall house price for Lakenheath in 2020 is compared with that for West Suffolk. As noted above, this figure is £189,000 for Lakenheath. For West Suffolk, it is £248,500. Thus it can be said that Lakenheath homes are roughly 24% cheaper than the West Suffolk average. If this difference is applied to the new build terrace average for West Suffolk of £285,024, the result is £216,618. This is therefore the expected price if a new build terrace were to be built and sold in Lakenheath in 2020, and is taken forward here as the best estimate of the cost of new build entry-level housing in the NA.

ii) Private Rented Sector (PRS)

229. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.

230. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs.

231. The property website Home.co.uk gathers rental listing data for Lakenheath. There were 32 rental properties listed in Lakenheath at the time of search in March 2021. 5 of these had 2 bedrooms, which is the best proxy for an entry-level home.

232. The overall median monthly rent for all sizes was £1,100. The median entry-level (2 bedroom) monthly rent was £1,013. This is very similar to the overall average despite the fact that 26 of the 32 properties listed for rent have 3 or more bedrooms. The 3 bedroom average (across 21 example listings) was almost identical to the 2 bedroom average at £1,012, indicating that the local rental market is likely driven more by factors such as the location, age

and condition of the property than the number of bedrooms. This is perhaps a reflection of the large presence of service people from RAF Lakenheath in the rental market, who may be less likely to have children or the need for more space than the 'typical' rental market in other locations.

233. The calculation for the PRS income threshold (overall average) is as follows:

- Annual rent = £1,100 x 12 = £13,200;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £44,000.

234. The income threshold for the average entry-level rent produces a result of £40,520.

A.3 Affordable Housing

235. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced to replace Starter Homes. Each of the affordable housing tenures are considered below.

i) Social rent

236. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

237. To determine social rent levels, a statistical data return from Homes England is used. This data is only available at the Local Authority level, and does not yet reflect the merger of West Suffolk so Forest Heath must act as a proxy for Lakenheath. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Forest Heath in the table below.

238. To determine the income needed, it is again assumed that no more than 30% of household income should be spent on rent. This is an assumption only for what might generally might make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels, Forest Heath, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£80.91	£90.36	£101.04	£111.67	£92.09
Annual average	£4,207	£4,699	£5,254	£5,807	£4,789
Income needed	£16,829	£18,795	£21,016	£23,227	£19,155

Source: Homes England, AECOM Calculations

ii) Affordable rent

239. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

240. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

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

242. Comparing this result with the average entry-level annual private rent above indicates that affordable rents in Lakenheath are actually closer to 50% of market rates than the target of 80%.

Table A-2: Affordable rent levels, Forest Heath, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£108.00	£126.02	£150.72	£197.10	£129.22
Annual average	£5,616	£6,553	£7,837	£10,249	£6,719
Income needed	£22,464	£26,212	£31,350	£40,997	£26,878

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

243. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.

244. 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." The most recent proposals for 'Changes to the current planning system' suggest that 25% of all Affordable Housing should be First Homes – the Government's new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

Discounted market housing

245. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

246. As noted above, the average new build terraced house in West Suffolk in 2020 was £285,019, and Lakenheath prices are roughly 24% below those of West Suffolk. £216,618 (£285,019 minus 24%) is therefore considered a good measure of the likely cost of new build homes aimed at first-time buyers in the parish, and will be used as the benchmark for this assessment of the affordability of discounted market homes. That said, new build flats are likely to be cheaper, but new build housing for families requiring more space are likely to be more expensive.

247. For a discount of 30% – as in the Government's new First Homes product – the purchase threshold can be calculated as follows:

- Value of average new entry-level house price (calculated at 24% below West Suffolk average, 2020) = £216,618;
- Discounted by 30% = £151,633;
- Purchase deposit at 10% of value = £15,163;
- Value of dwelling for mortgage purposes = £136,470;
- Divided by loan to income ratio of 3.5 = purchase threshold of £38,991.

248. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home (with the discount benchmarked on the assumed entry-level new build price as above). This would require an income threshold of £44,562, £33,421 and £27,851 respectively.

249. All of the estimated price levels are below the cap on First Homes (£250,000 after the discount is applied, outside of Greater London), and the income thresholds required to afford them all below the income cap for purchasers of First Homes (£80,000 outside of Greater London).

250. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home

(assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Lakenheath.

Shared ownership

251. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

252. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

253. To determine the affordability of shared ownership, calculations are again based on the assumed entry-level new build price of £216,618. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector). The affordability threshold is calculated as follows:

- A 25% equity share of £216,618 is £54,155;
- A 10% deposit of £5,415 is deducted, leaving a mortgage value of £48,739;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £13,925;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £162,464;
- The estimated annual rent at 2.5% of the unsold value is £4,062;
- This requires an income of £13,539 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £27,464 (£13,925 plus £13,539).

254. The same calculation is repeated for equity shares of 50% and 75%, producing affordability thresholds of £36,877 and £46,289 respectively.

255. It has recently been announced that the minimum equity share for shared ownership may fall to just 10% of the property value. If this can be delivered, the income required would be lower still. However, it is worth emphasising that the transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised. This product would therefore only be a realistic route to full ownership for households prepared to take a very long-term view.

Rent to buy

256. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[12].

Age-Restricted General Market Housing

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

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

Annual Monitoring Report

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

Basic Conditions

The Basic Conditions are the legal tests that are 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 Standard[13]

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 Order[14]

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)[15]

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

Equity Loans/Shared Equity

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

[13] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

[14] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary

[15] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

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 years[16], 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)

[16] See https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/

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 agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing[17]

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

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.

[17] See http://www.housingcare.org/jargon-sheltered-housing.aspx

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for 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.[18]

[18] See http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing