



MAY 2021

Maldon District Local Housing Needs Assessment

Final Report

Iceni Projects Limited on behalf of
Maldon District Council

May 2021

ICENI PROJECTS LIMITED
ON BEHALF OF MALDON
DISTRICT COUNCIL

Iceni Projects

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH

Edinburgh: 11 Alva Street, Edinburgh, EH2 4PH

Glasgow: 177 West George Street, Glasgow, G2 2LB

Manchester: This is the Space, 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com

linkedin: [linkedin.com/company/iceni-projects](https://www.linkedin.com/company/iceni-projects) | twitter: [@iceniprojects](https://twitter.com/iceniprojects)

Maldon District Local Housing
FINAL REPORT

CONTENTS

1. INTRODUCTION	2
2. HOUSING MARKET GEOGRAPHY	5
3. HOUSING STOCK AND SUPPLY TRENDS	22
4. HOUSING MARKET DYNAMICS	33
5. OVERALL HOUSING NEED	47
6. DEMOGRAPHIC DYNAMICS	54
7. THE LINK BETWEEN HOUSING AND ECONOMIC GROWTH	68
8. AFFORDABLE HOUSING NEED	76
9. NEEDS OF OLDER PERSONS AND THOSE WITH DISABILITIES.....	106
10. THE APPROPRIATE SIZE OF HOMES	127
11. THE NEEDS OF SPECIFIC GROUPS	140
12. UNDERSTANDING DIFFERENT MARKET SEGMENTS	151
13. RECOMMENDATIONS AND CONCLUSIONS.....	169

1. INTRODUCTION

1.1 Following a number of fundamental amendments to national policy and guidance, there is a need for the Council to review its housing needs evidence to inform any future update to the Maldon Local Development Plan (“the Local Plan”) adopted in September 2017.

1.2 Maldon District Council has commissioned Icení Projects to prepare a Housing Needs Assessment (“HNA”) which looks over the period to 2040 to help to inform the Bradwell B DPD and the review of the Local Plan, the assessment of residential development proposals and housing strategies by providing robust evidence of housing needs in Maldon District.

1.3 The HNA is an assessment of housing need for Maldon District, as a whole, as well as sub-areas across the District which are considered alongside the housing market geography in this report. The HNA is wholly compliant with the latest National Planning Policy Framework and Planning Practice Guidance, and provides the Council with a clear understanding of:

- The local housing need in the District and the demographic implications of planning for this level of housing, as well as the latest demographic data;
- The need for affordable housing (and the relative need for different types of housing within this definition, consistent with the National Planning Policy Framework);
- The needs of older persons and those with disabilities and long-term health problems;
- The need for different types, tenures and sizes of housing;
- The housing need of specific groups including younger people, families, service families, students, Gypsy & Traveller households that do not meet the planning definition, caravan and houseboat dwellers as per; Housing & Planning Act 2016 Duty and
- The need to provide for housing market segments including self-build housing, Build to Rent and rural housing needs.

1.4 A separate report considering the housing needs arising from the Bradwell B proposals is being drafted alongside this main report and will be issued in due course.

Household Survey

1.5 In order to supplement a range of secondary sources used throughout the analysis in our report, a postal and online survey of households in the District was undertaken in Summer 2020. The sample

for the postal survey was drawn, at random, from the Council Tax Register covering all areas and tenure groups in the District.

- 1.6 In total, 1,420 completed survey forms were returned from an initial sample of 8,500 – this includes surveys completed online, as well as the paper copy. This represents a response rate of 16.7%. Overall, some 5.0% of households in the District took part in the survey. The number of responses provides sufficient data as a representative sample to allow complete, accurate and detailed analysis of need and demand across the District.
- 1.7 In order to gross up the data to represent the entire household population, it is necessary to make an estimate of the number of households in the area. Using information from the 2011 Census, more recent demographic projections and the Council Tax Register, it was estimated that there were a total of 28,164 households in the District at the time of the survey in mid-2020.
- 1.8 The Table below shows an estimate of the current tenure split in the District along with the sample achieved in each group. The data shows that around 77% of households are owner-occupiers, 10% are in the social rented sector and the remaining 13% are in the private rented sector. It should be noted that the private rented sector includes those renting from a friend/relative or living in accommodation tied to a job.

Table 1.1 Number of Households by Tenure Group

Tenure	Total number of households	% of Households	Number of returns	% of returns
Owner-occupied (no mortgage)	11,947	42.4%	835	58.8%
Owner-occupied (with mortgage)	9,793	34.8%	393	27.7%
Social rented	2,854	10.1%	102	7.2%
Private rented	3,570	12.7%	90	6.3%
Total	28,164	100.0%	1,420	100.0%

Source: Household Survey Data, 2011 Census

- 1.9 An important aspect of preparing data for analysis is ‘weighting’ it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result, it is necessary to ‘rebalance’ the data to correctly represent the population being analysed via weighting.
- 1.10 The weighting is recognised (e.g. in former Strategic Housing Market Assessment Guidance) as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (e.g. privately renting households in the Table above) the application of a sophisticated weighting process, as has been used in this survey, removes any bias.

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- 1.11 The draft report has drawn on aspects of the data arising from the household survey. There is a wealth of information and Iceni can drill into further areas of interest following discussions with Maldon District Council.

Structure of the Report

- 1.12 The remainder of this report is structured as follows:

- Section 2: Housing Market Geography (inc. Sub-Areas)
- Section 3: Housing Stock and Supply Trends
- Section 4: Housing Market Dynamics
- Section 5: Local Housing Need
- Section 6: Demographic Dynamics (inc. Implications of Local Housing Need)
- Section 7: Affordable Housing Need
- Section 8: The Needs of Older Persons & Those with Disabilities
- Section 9: The Need for Different Sizes of Homes
- Section 10: The Needs of Different Groups within the Population
- Section 11: Understanding Different Market Segments
- Section 12: Draft Conclusions and Recommendations

2. HOUSING MARKET GEOGRAPHY

- 2.1 In planning for housing provision, the housing market area is important as housing provision can be a strategic cross-boundary issue on which local planning authorities need to engage with one another through the Duty to Cooperate and in the preparation and maintenance of Statements of Common Ground.
- 2.2 This section has been prepared with a view to considering the housing market geography and in particular, defining the 'housing market area' (HMA) in which Maldon District sits.
- 2.3 Planning Practice Guidance sets out that 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."*¹ It then goes on to set out that these can be broadly defined analysing:
- The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas;
 - Migration flow and housing search patterns. This can help identify the extent to which people move to a new house within an area, in particular, where a relatively high proportion of short household moves are contained (due to connections to families, jobs, and schools); and
 - Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).
- 2.4 In this section, Iceni has worked through each of these issues. We have also undertaken a review of previous research considering housing market geographies and taken into account how local plan inspectors have approached the definition of the housing market geography where this has been a matter of contention in other areas.
- 2.5 In 2017, for instance St Albans City and District Council were found to have failed the Duty to Cooperate as it had argued it represented a self-contained housing market area and had failed to engage with surrounding authorities (and their evidence) on issues of housing provision.

¹ ID: 61-018-20190315

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- 2.6 Unresolved disputes regarding the housing market geography between what was South Bucks District Council and authorities in Berkshire (in the context of an unmet need from Slough which adjoins South Bucks) have also caused major issues in the Chiltern and South Bucks Local Plan Examination which is currently ongoing. The Examining Inspector has written to the Councils in May 2020 expressing very serious concerns as to whether the statutory Duty to Cooperate has been met and thus whether the Plan Examination can proceed.
- 2.7 As key components of the methodology considering overall housing need relate to local authority data, it is common practice to use local authority geographies as the building block for considering the housing market area geography. This is sensible and pragmatic, not least as key official data which is used in identifying housing need – such as household projections, migration data and affordability ratios – is not published below local authority level.
- 2.8 As the housing market geography is relevant to the Duty to Cooperate, Icenl would recommend that emerging findings are shared with adjoining authorities as part of the preparation of the Local Housing Needs Assessment (“LHNA”).

Review of Previous Research

- 2.9 In this sub-section we review previous research, including the 2014 SHMA which identified Maldon to be a single Housing Market Area.

CLG/CURDS Study (2009/2010)

- 2.10 National research undertaken for Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (“CURDS”) at Newcastle University has sought to define housing markets across England. Considering the findings of this Study is a useful starting point as it provides an independent, nationally-consistent assessment of housing market areas across England. This can then be tested against more recent and local evidence.
- 2.11 The CURDS Study² considers commuting and migration dynamics (based on 2001 Census data) and house prices (standardised to account for differences in housing mix and neighbourhood characteristics). This information is brought together to define a tiered structure of housing markets, as follows:
- Strategic (Framework) Housing Markets– based on 77.5% commuting self-containment;
 - Local Housing Market Areas – based on 50% migration self-containment; and

² <https://www.ncl.ac.uk/curds/research/peopleplace/#nhpau>

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- Sub-Markets – which would be defined based on neighbourhood factors and house types
- 2.12 The two-tier structure (i.e. strategic and local) in the CLG research is useful at disaggregating strategic housing market areas which are generally for modelling of issues such as housing need; whilst the more local housing market areas are of greater relevance in considering issues relating to local market dynamics and supply-demand balance.
- 2.13 The CLG research defines the market areas in two further ways. The first is a ‘gold-standard’ which is based on an aggregation of ward areas and therefore is more detailed than the second definition, the ‘silver-standard,’ which groups together local authority areas.
- 2.14 For plan making purposes the silver-standard is perhaps a more practical basis for defining a housing market area, as both the local and the gold standard HMAs result in HMAs boundaries that straddle local authority areas. Given that strategic planning policies are mostly made at the local authority level, and that many of the key datasets (such as household projections and affordability data) are unavailable for smaller areas below local authority level, it is common practice to define housing market areas based on local authority geographies.
- 2.15 The CURDS study has identified that the “silver-standard” Strategic HMA where Maldon falls also includes Colchester, Chelmsford, Braintree and Tendring. This achieves 77.5% commuting self-containment in the identified HMA based on 2001 Census data. It is now based on old data, and in the rest of this section we have sought to test the degree to which this holds true and whether the evidence justifies a smaller or more locally-based housing market area.

2014 Strategic Housing Market Assessment

- 2.16 The 2014 Maldon Strategic Housing Market Assessment, prepared by David Coultie Associates, considered the housing market geography in Section 3 therein.
- 2.17 It described the small rural nature of the district, with the main towns of Maldon and Burnham-on-Crouch. Table 3-1 therein shows 47% self-containment of migration (based on people moving to the district) with the Study showing positive net in-migration of households to the area, particularly couples with no dependent children. It states that 65% of local moves (based on 2001 Census data) were contained within the District (Table 3-4), however also showed notable migration flows between Maldon and Chelmsford, and to a lesser extent between Maldon and Braintree and Maldon and Colchester. Sizeable net migration from Greater London was also noted.
- 2.18 The Study was prepared in advance of the release of 2011 Census Travel to Work data, and therefore analysed commuting using 2011 Annual Population Survey data. This pointed to out-commuting in particular to Chelmsford, followed by Greater London, Basildon and Braintree; with workers commuting into the District from the surrounding Essex authorities as well. It noted similarity

in housing costs between Chelmsford and Maldon. It indicated a relatively modest commuting self-containment rate whereby 51% of residents worked within the District.

- 2.19 The Study concluded that Maldon formed its own housing market area principally relying on 65% migration self-containment level achieved; albeit that the Study set out that a housing market is defined in the Government's Guidance Advice note as typically comprising an area in which 'around 70% of moves' are contained. Given this and the age of the data considered, it is now appropriate to appraise whether these conclusions continue to hold true.

Evidence Base of Adjoining Authorities

- 2.20 The latest evidence of adjoining authorities to the north and west is contained within an *Objectively Assessed Housing Needs Study* prepared by Peter Brett Associates dated November 2016. This was commissioned by Braintree, Chelmsford, Colchester and Tendering Councils.
- 2.21 The Study considered identified the strategic HMA defined by the national CURDS research (as described above) which grouped Braintree, Chelmsford, Colchester, Maldon and Tendering in a common Housing Market Area. It then sought to test whether this was supported by more 2011 Census migration and commuting data. It found that Maldon's strongest migration and commuting links are with Chelmsford, followed by Braintree and Colchester. For each authority considered, the strongest migration links were found to be with other authorities identified within the CURDS-defined HMA. It found that this area achieved 71% containment of migration flows.³
- 2.22 Significant commuting flows to London were noted (particularly from Braintree, Chelmsford and Colchester). However, self-containment levels across the five authorities as a whole was also found to be high, with 75% of residents within the area also working within it; and 86% of people working within the area also living within it. It did not find house price data particularly useful in considering the housing market geography.
- 2.23 The Study considered self-containment levels on the basis of the four study authorities excluding Maldon which concluded 69-70% for migration and 73-83% for commuting and ultimately that this could therefore be treated as the relevant Housing Market Area (i.e., an HMA excluding Maldon).
- 2.24 It is also appropriate to consider the evidence in Rochford District, which lies to the south of Maldon. Its evidence base on housing market geographies is contained within the *2016 South Essex Strategic Housing Market Assessment* (SHMA) prepared by Turley. This defined a South Essex Housing

³ This calculation included both longer and shorter distance moves

Market Area as including Basildon, Castle Point, Rochford, Southend-on-Sea and Thurrock local authorities.

2.25 This five-authority grouping achieved 73-74% self-containment of migration moves (based on 2011 Census data) rising to 79-85% if flows with Greater London were excluded and was broadly consistent with the geography of the Travel to Work Area defined by ONS. It also considered the CURDS Research.

2.26 The South Essex SHMA thus clearly identifies the adjoining authority of Rochford as within a separate Housing Market Area.

Review of the Latest Data

2.27 Following our review of the previous research, we move on in this sub-section to consider what the latest data indicates regarding the housing market geography. Icenl has considered data on migration, commuting and house prices. These are the key datasets commonly used to define housing market geographies and identified in Planning Practice Guidance.

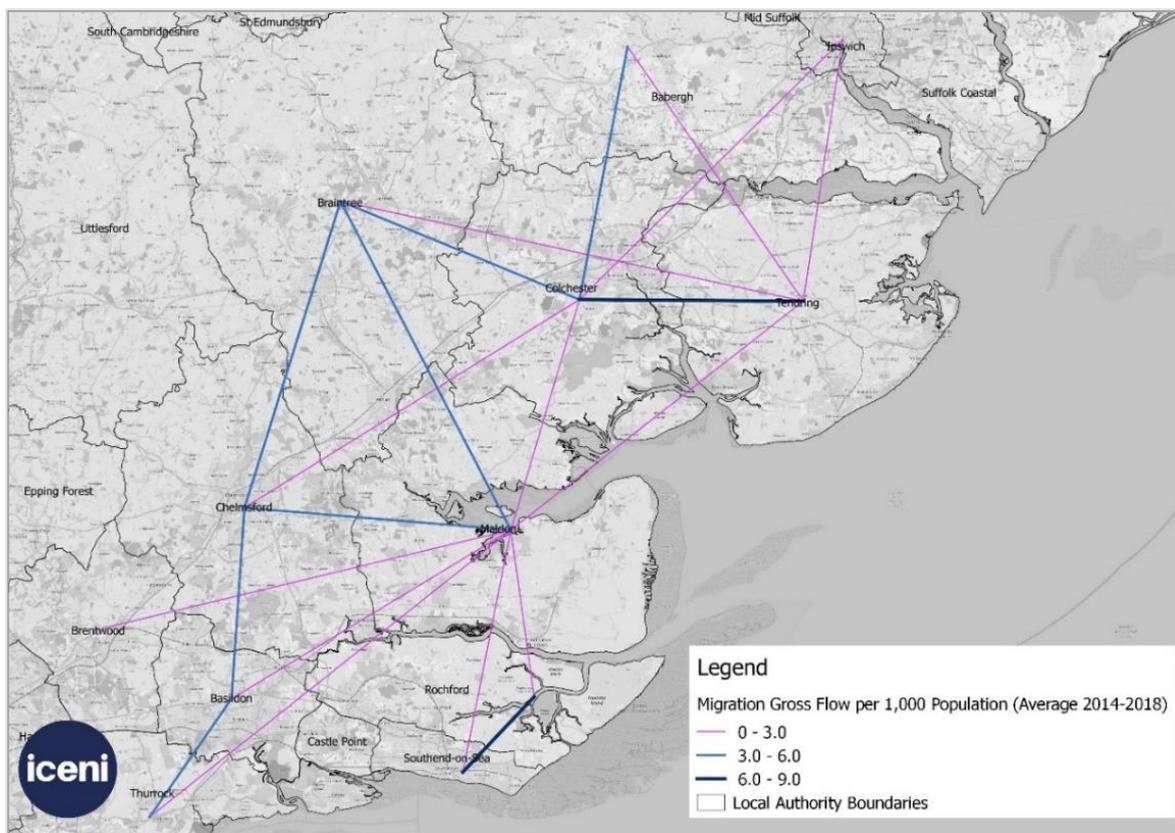
Migration Flows

2.28 The Office for National Statistics (“ONS”) provides annual data on internal migration flows (both in- and out- migration flows) which is informed by a range of official datasets including NHS GP registrations data. We have sought to appraise gross migration flows (the sum of flows in both directions) between areas to understand the relative strength of the housing market interactions between different local authorities. Figure 1 below demonstrates the spatial distribution of the average gross flows between various authorities in the region.

2.29 We use gross flows to understand the strength of the migration relationship between areas, and then benchmark them for the combined population size of the two local authorities to understand the relative strength of links. This recognises that two larger authorities will have a larger absolute flow than smaller authorities.

2.30 It can be seen that the strongest relative flows for Maldon are with Chelmsford and Braintree.

Figure 2.1: Gross Migration Flows per 1,000 population, avg. 2014-2018



Source: ONS Internal migration: matrices of moves by local authority and region (last published June 2019).

- 2.31 The highest flows have been recorded with authorities which immediately surround Maldon, with the two most significant being Chelmsford and Braintree which saw over 4.0 persons moving per 1,000 population. Maldon’s strongest migration links are therefore with Chelmsford and Braintree.
- 2.32 Significant flows can also be seen between Colchester and Tendring, this being the strongest migration flow recorded in the area at 7.8 gross per 1,000 combined population. A relatively strong link is also evident between Braintree and Chelmsford (5.5 per 1000).

Table 2.1 Top Migration Gross Flows with Maldon per 1,000 Population, Avg. 2014-2018

Local Authority	Average Gross Flow per 1,000 pop (2014-2018)
Chelmsford	4.9
Braintree	4.7
Colchester	2.4
Basildon	1.4
Rochford	1.0
Brentwood	0.8
Thurrock	0.7
Southend-on-Sea	0.7
Tendring	0.7

Source: ONS Internal migration: matrices of moves by local authority and region (last published June 2019).

2.33 The Table below sets out the strongest links with a flow of over 3.0 per 1000 population.

Table 2.2 Top Migration Gross Flows per 1,000 Population – Wider Area, Avg. 2014-18

Authority A	Authority B	Gross Flow per 1,000 Population
Rochford	Southend-on-Sea	9.0
Tendring	Colchester	7.8
Braintree	Chelmsford	5.5
Chelmsford	Braintree	5.5
Maldon	Chelmsford	4.9
Colchester	Braintree	4.8
Maldon	Braintree	4.7
Basildon	Chelmsford	3.9
Basildon	Thurrock	3.5
Colchester	Babergh	3.1

Source: ONS Internal migration: matrices of moves by local authority and region (last published June 2019).

Migration Self-Containment

2.34 A housing market area would typically have a self-containment rate of at least 70% when long distance moves are excluded. Although the term 'long distance' is not defined in the guidance we have defined this as migration to/from areas beyond the East of England and Greater London.

2.35 For each local authority, we have calculated migration self-containment. The Figures can vary depending on how this is calculated. The data used is derived from the 2011 Census which asked where people lived a year previously.

2.36 'Outward' self-containment is calculated by considering the proportion of people moving who were resident in the area in 2010; whereas the 'inward' self-containment calculates the proportion of those who were resident in 2011 who had moved within the area. In both cases our analysis excludes longer-distance moves beyond the East of England Region and Greater London.

Table 2.3 Migration Self-Containment (excl. long-distance flows), 2011

Local Authority	% of those moving from the Local Authority (Outward)	% of those moving to the Local Authority (Inward)
Maldon	53%	54%
Chelmsford	61%	62%
Colchester	69%	72%
Braintree	60%	64%
Tendring	69%	72%

Maldon-Chelmsford-Braintree	70%	72%
Tendring-Colchester	75%	78%
Maldon-Chelmsford-Braintree-Tendring-Colchester	77%	81%

Source: 2011 Census

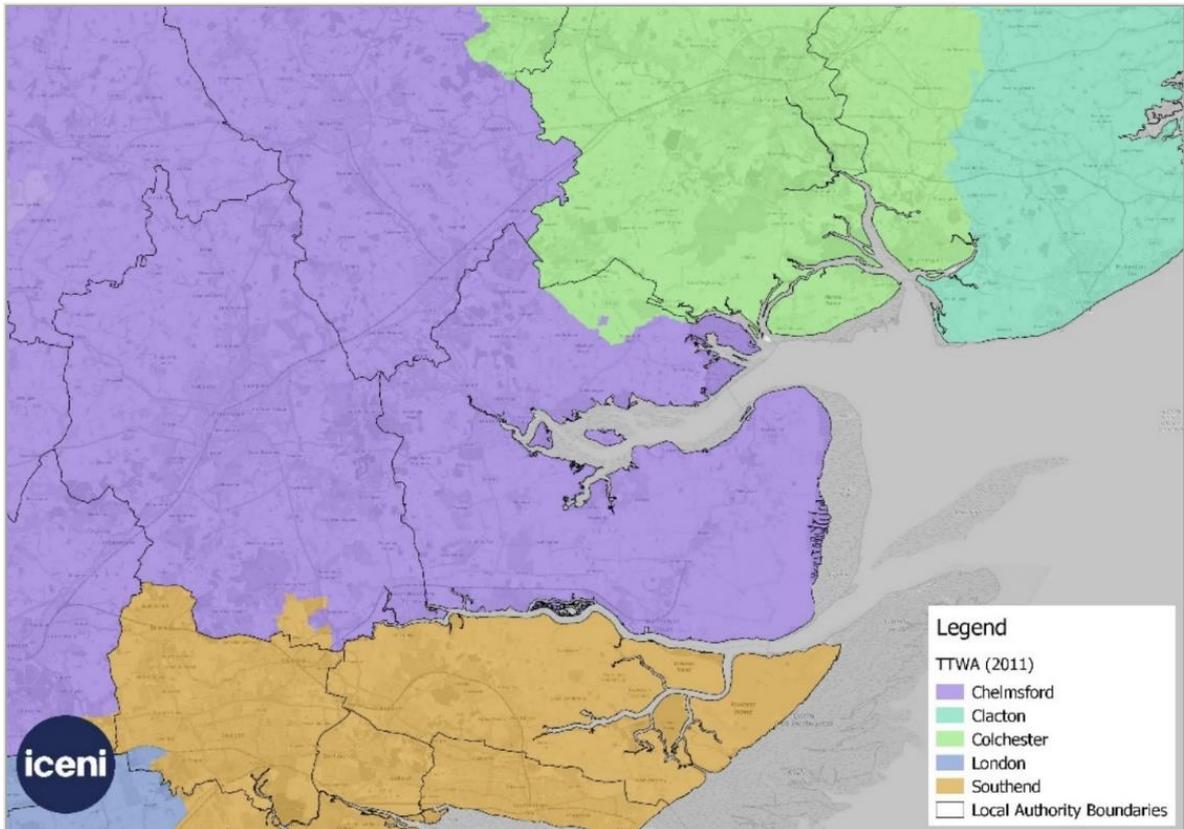
- 2.37 Maldon's relatively low migration self-containment level (53-54%) does not justify it being defined as a housing market area in its own right. It points to sizeable movement with other areas. Similarly neither Chelmsford or Braintree see self-containment levels which would justify this either.
- 2.38 The majority of the individual local authorities show self-containment rates excluding long distance moves of between 50% and 70%. Excluding long-distance moves, it is only Tendring and Colchester which show self-containment rates above 70%.
- 2.39 We have therefore considered it appropriate for local authorities to be grouped in order to achieve a higher (and acceptable) level of self-containment. These groupings are based on the strongest flows but there are a number of ways to view this.
- 2.40 The strongest self-containment rates are evident for the combined area of Maldon, Chelmsford, Braintree, Tendring and, Colchester (77-81%) – consistent with the findings of the 2010 CURDS national Study. However, an HMA which includes Maldon, Chelmsford and Braintree achieves 70-72% self-containment and more closely mirrors the ONS TTWAs, as considered below.
- 2.41 The migration data would thus support either a grouping of Maldon, Chelmsford and Braintree within a single housing market area; or a larger housing market area which in addition included Tendring and Colchester.

The Travel to Work Area

- 2.42 We have also drawn from the ONS Travel to Work Areas ("TTWA") produced in late 2015, which themselves draw on 2011 Census data. These are the only official and nationally consistent definition of Travel to Work Areas.
- 2.43 The ONS TTWAs represent self-contained labour market areas in which the majority of commuting (at least 66%) occurs within the boundary of the area. It should however be recognised that in practice, it is not possible to divide the UK into entirely separate labour market areas as commuting patterns are too diffuse.
- 2.44 The TTWAs were developed as approximations to self-contained labour markets, i.e. areas where most people both live and work, as such they are based on a statistical analysis. The areas were produced by analysing ward level journey to work data from the 2011 Census.

- 2.45 As illustrated in Figure 2.2, the majority of Maldon District's territory falls within the Chelmsford TTWA, with a small area to the north of Maldon being within the Colchester TTWA. The existence of separate TTWAs suggests that Chelmsford and Colchester sit within different housing market areas; however, this is simply a function of the purity of TTWAs.

Figure 2.2: Travel to Work Area, 2011



Source: Census 2011

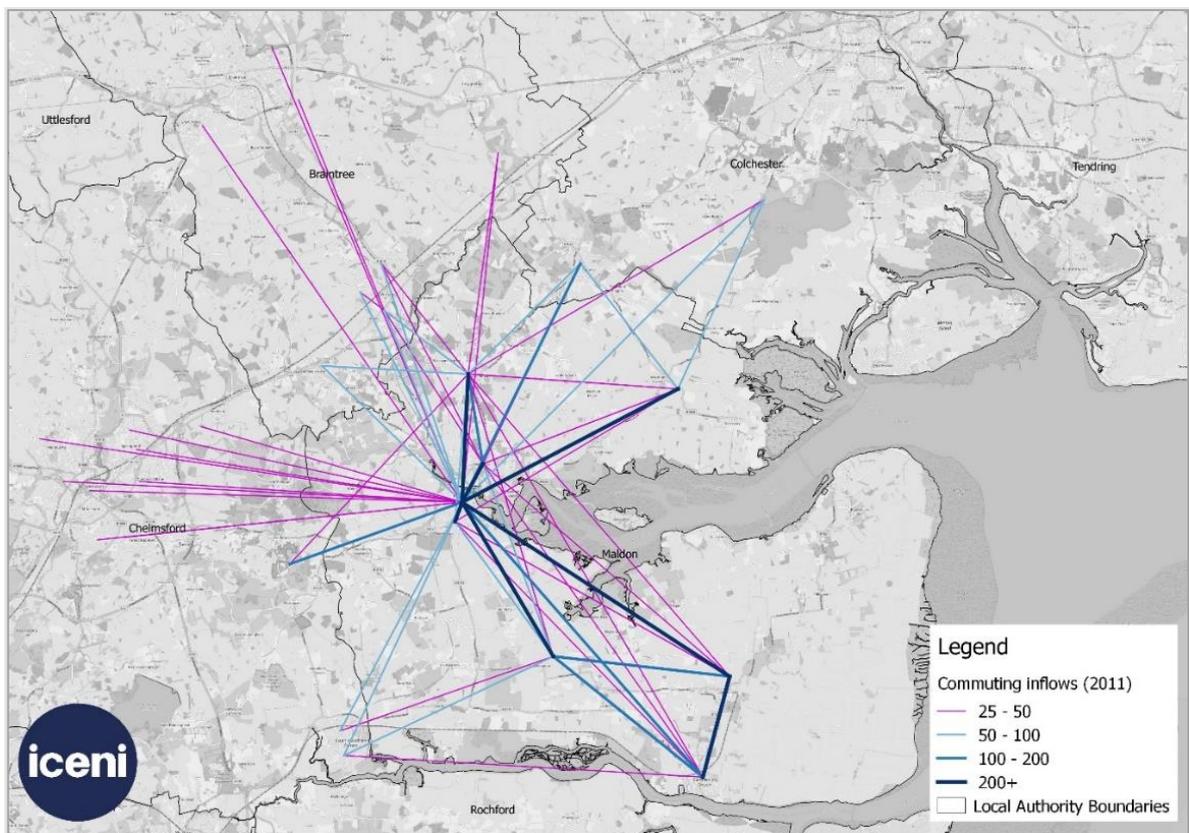
Commuting Patterns

- 2.46 The 2014 SHMA examines commuting data using the Annual Population Survey Commuter Flows (2011) as discussed above. No further updates to the suite of commuting flow products from the Annual Population Survey are planned, and this dataset has now been discontinued as indicated by the ONS Labour Market Statistics website NOMIS.
- 2.47 The 2014 SHMA analysis reveals the top three commuting outflows from Maldon are to Chelmsford, Greater London and Basildon. However, the 2011 Census data reveals that the three highest recorded commuting outflows were recorded for Chelmsford, Braintree and Basildon, followed by City of Westminster.
- 2.48 The Census showed that 3,025 Maldon residents worked within Greater London as a whole equating to 13% of the workforce. The highest proportions of commuting inflows were recorded to be from Chelmsford, Colchester and Braintree, which is in line with 2011 Census data.

2.49 At a more local level, IcenI have analysed commuting data at MSOA level for the areas which have recorded highest overall commuting flows with Maldon (Census 2011) which helps to understand the local dynamics of commuting.

2.50 Commuting inflows data analysis suggest there are some commuters who come to Maldon from surrounding areas such as Chelmsford, Braintree and Colchester, albeit not demonstrating particularly strong flows in comparison with commuting levels achieved within the boundary of the District. It is however important to look at commuting flows out of the District and self-containment as well.

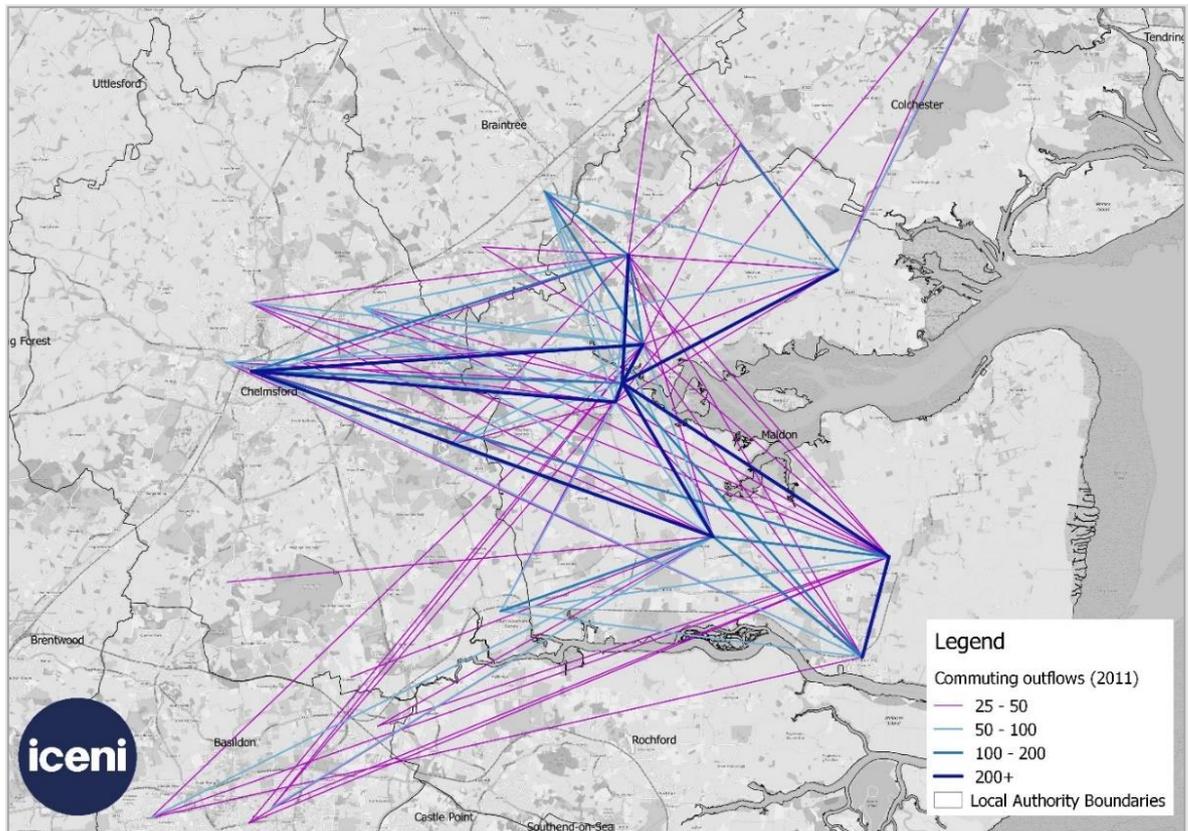
Figure 2.3: Commuting Inflows to Maldon District by MSOA, 2011



Source: Census 2011

2.51 In considering commuting outflow data, the spatial distribution clearly demonstrates strong connections between Maldon, Chelmsford and Braintree and some commuting from Maldon into Basildon and Colchester, which is in line with original findings of the 2014 SHMA.

Figure 2.4: Commuting Outflows from Maldon District by MSOA, 2011



Source: Census 2011

- 2.52 The commuting self-containment rates in the area are relatively low within individual authorities. Commuting self-containment has been calculated using both resident and workplace-based data.
- 2.53 The resident -based self-containment shows the proportion of people living and working in Maldon out of all usual resident population in the authority (i.e. the place they commute from). In comparison, the workplace-based self-containment shows the proportion of people living and working in Maldon out of all people who work in Maldon.
- 2.54 The highest resident-based self-containment rate is in Colchester where 65% of residents also work in the area. However, the highest workplace-based self-containment rate is in Tendring (79%). The workplace-based self-containment rates for most other authorities are however considerably lower than this.

Table 2.4 Commuting Self-containment Rates, 2011

Local Authority	Resident- based	Workplace- based
Maldon	41%	59%
Chelmsford	51%	54%
Colchester	65%	66%
Braintree	46%	64%

Tendring	60%	79%
Basildon	47%	47%

Source: Census 2011

- 2.55 The relatively low degree to which commuting flows are contained within individual local authorities supports the inclusion of a number of authorities within a common Housing Market Area. We have therefore considered it appropriate for local authorities to be grouped in order to achieve a higher (and acceptable) level of self-containment. These groupings are based on the strongest flows but there are a number of ways to view this.
- 2.56 The strongest self-containment rates are evident for the combined area of Maldon, Chelmsford, Braintree, Tendring and, Colchester (72-84%) – consistent with the findings of the 2010 CURDS national Study. The HMA which includes Maldon, Chelmsford and Braintree achieves 60-72% self-containment and more closely mirrors the ONS TTWAs, as set out in the previous sub-section.
- 2.57 The commuting data would thus support either a grouping of Maldon, Chelmsford and Braintree within a single housing market area; or a larger housing market area which in addition included Tendring and Colchester.

Table 2.5 **Commuting Self-Containment Rates, 2011**

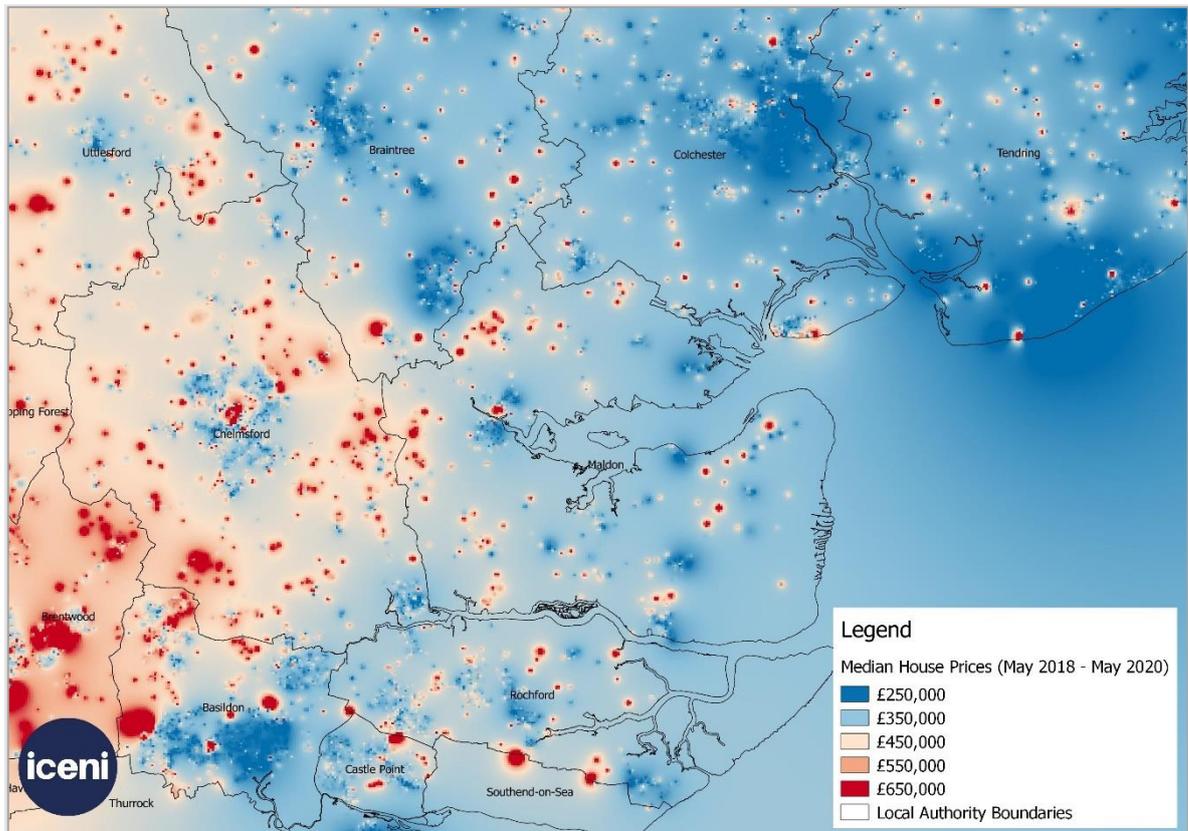
Local Authority	Resident based	Workplace based
Braintree-Chelmsford-Maldon	60%	72%
Braintree-Chelmsford-Colchester-Maldon-Tendring	72%	84%

Source Census 2011

House Price Analysis

- 2.58 IcenI has analysed house prices using median house prices sales for sales over the 2 period using data from HM Land Registry. We have mapped this in Figure 2.5. Notably, higher house prices have been recorded for areas of Maldon district to the west, which show similarities with house prices in Chelmsford and the southern parts of Braintree.
- 2.59 There are also strong similarities in house prices between Colchester and Tendring. This is in line with the findings of the 2014 SHMA which demonstrated similar house price levels between Maldon and Chelmsford.

Figure 2.5: Median House Prices, May 2018-May 2020



Source: HM Land Registry (May 2020)

- 2.60 The influence of proximity and transport links to London is evident in the house price geography shown, as is the case in many areas across the Greater South East. House prices tend to be higher closer to London and in locations with strong transport accessibility to it. A distinction in prices between urban and rural areas is also evident.
- 2.61 Median house price in Maldon in the year ending September 2019 was £320,000, which is approximately 2% above the Essex average, 11% above the East of England average and 36% above the national average.
- 2.62 The average (median) house price across Maldon was £320,000 in 2019 whilst the lower quartile house price was £265,000 which is still higher than the county, regional and national averages.

Table 2.6 House Price Benchmarks, Year to September 2019

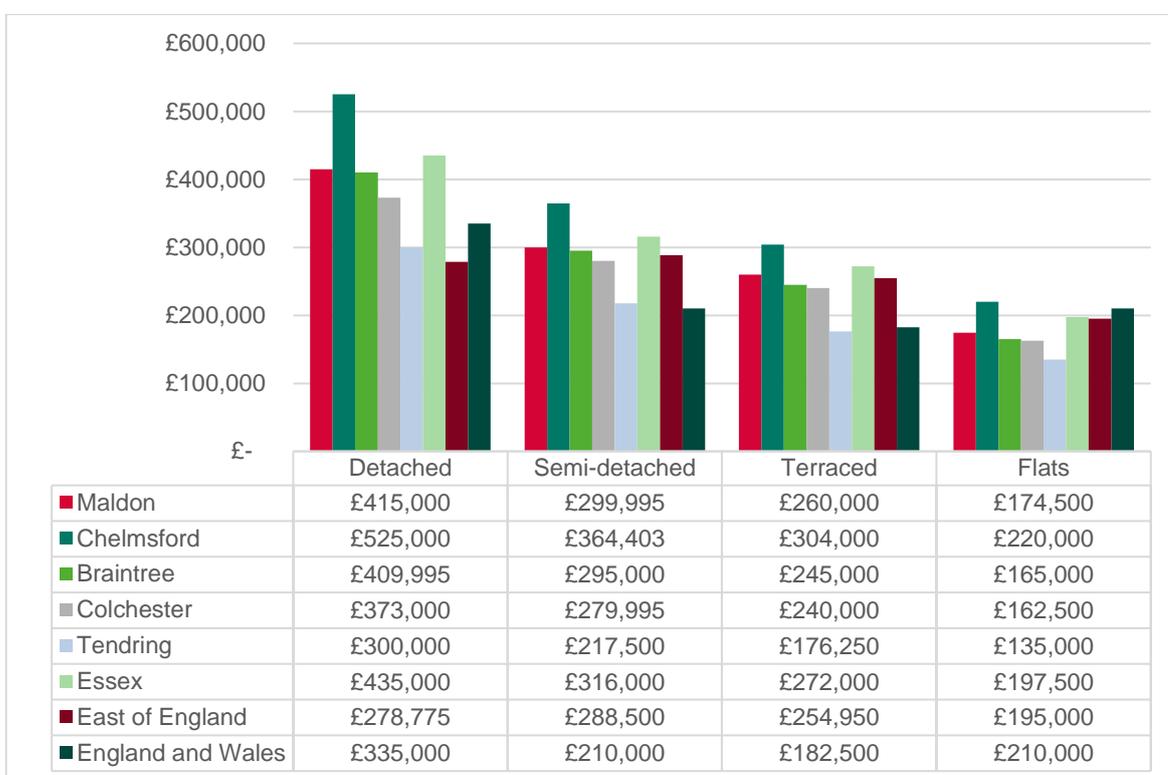
Area	Median	Mean	Lower Quartile
Maldon	£319,998	£363,059	£265,000
Chelmsford	£350,000	£398,095	£275,000
Braintree	£290,000	£316,738	£235,000
Colchester	£274,225	£295,109	£215,000
Tendring	£237,000	£260,173	£182,000

Essex	£312,500	£359,218	£243,000
East of England	£287,500	£334,667	£213,000
England and Wales	£235,000	£297,364	£155,000

Source: ONS, House price statistics for small areas in England and Wales, year ending September 2019

2.63 Median house price analysis by type of property demonstrates further similarities between Maldon, Chelmsford and Braintree, with prices of detached and semi-detached properties in the three authorities significantly higher than Colchester and Tendring, as well as regionally. This remains the case for both Maldon and Chelmsford, with higher prices for terraced and flats, however Braintree and Colchester demonstrate similarities in the prices for these two types of dwellings.

Figure 2.6: Median House Prices by type, Year to September 2019



Source: ONS, House price statistics for small areas in England and Wales, year ending September 2019

House Price Growth

2.64 IcenI have provided analysis which looks to consider house price growth in the last 5 and 10 year periods. As it can be seen from Table 2.7 below, the range of house price growth across the five authorities is relatively narrow, varying between 55-61%. It has been above the national average in all cases.

2.65 Indeed, whilst there are small differences, the broad trend of price growth over both a 5 and 10 year period is similar across Maldon and most surrounding areas, the potential exception being Tendring which has seen stronger comparative house price growth over the last 5 years.

Table 2.7 Median House Price Growth

	5 YR Growth	10 YR Growth
Maldon	28%	55%
Chelmsford	30%	59%
Braintree	31%	61%
Colchester	31%	58%
Tendring	38%	58%
Essex	28%	56%
East of England	25%	52%

Source: ONS, House price statistics for small areas in England and Wales: year ending September 2019

Conclusions

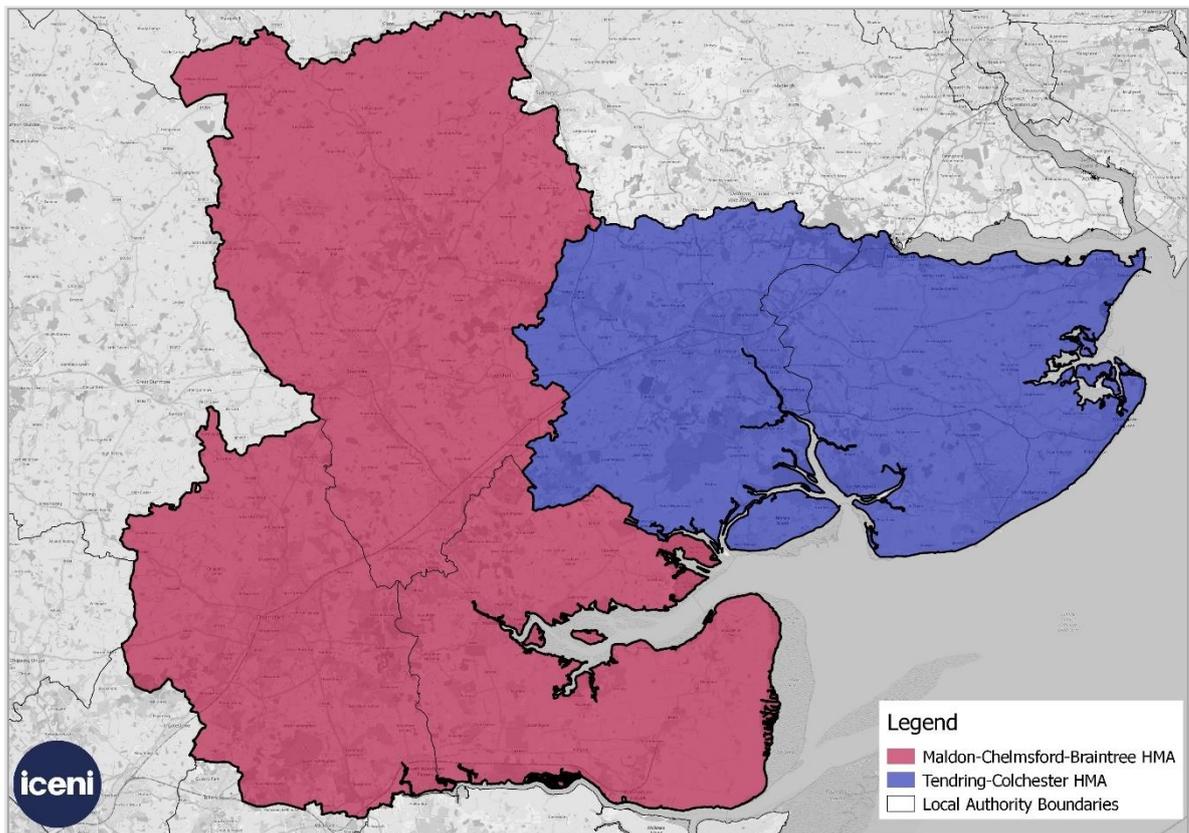
- 2.66 The previous 2014 SHMA provided evidence which identified Maldon District to be a single housing market area. IcenI have provided updated data analysis on both migration and commuting patterns to establish if there has been a significant change since last published evidence.
- 2.67 The 2010 CURDS Study provides a useful starting point to establish the HMA boundaries, not least as it provides consistent analysis across England. It suggests a housing market area which includes Braintree, Chelmsford, Colchester, Maldon and Tendring local authorities. However, the data used in the Study is based on 2001 Census data which is now severely outdated, and this report has therefore tested whether this remains relevant.
- 2.68 The data analysis of more recently published information in the sections above demonstrate that there is insufficient commuting and migration self-containment for Maldon to be HMA in its own right.
- 2.69 Moreover, Maldon District demonstrates significant migration and commuting links with the neighbouring Chelmsford and Braintree administrative areas. The gross migration flows per 1,000 population demonstrate links to these areas which are much more significant when compared to migration with other surrounding authorities.
- 2.70 This updated migration analysis therefore aligns with the ONS Travel to work areas which show the majority of Maldon District falling within the Chelmsford TTWA together with Braintree District. This has been defined as a relatively self-contained labour market. This is further confirmed when looking at migration self-containment rates for a Maldon-Chelmsford-Braintree HMA and a Tendring-Colchester based HMA, both of which above the 70% threshold.
- 2.71 The migration and commuting analysis thus both suggest that Maldon now falls within a common Housing Market Area with Chelmsford and Braintree. It would also support the definition of

Colchester and Tendinging as a separate Housing Market Area. These geographies are shown in Figure 6 below.

2.72 However, the analysis of the migration and commuting self-containment could also support the definition of a wider housing market area which covers all five authorities. This is an issue which IcenI would advise is discussed with the other local authorities concerned.

2.73 Bringing the evidence on house prices, commuting and migration together, the analysis would support a Chelmsford-Maldon-Braintree based HMA. Maldon and Chelmsford demonstrate similar house price trends over the last two years, with house price growth over the last five and ten years showing similar trends between Chelmsford and Braintree. It provides some evidence that values are lower in Tendinging and Colchester which would support the definition of this as a separate HMA.

Figure 2.7: Housing Market Area Boundaries



Sub-Areas in Maldon District

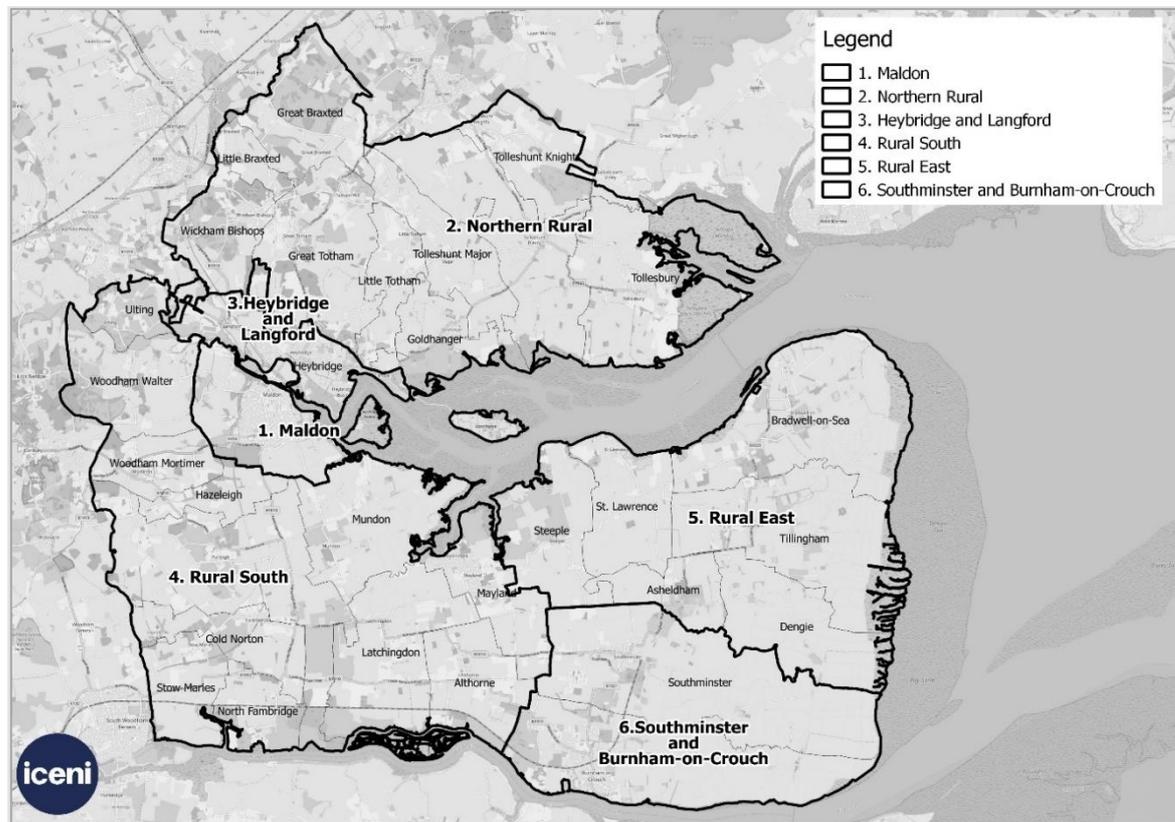
2.74 The sub-areas referred to throughout the analysis in this report are consistent with the geography set out previously in the Local Plan Policy H1 Map. The sub-areas are set out in the Table below alongside the corresponding parishes.

Table 2.8 Sub-Area by Parish

Sub-Area	Parish(es)
Northern Rural	Great Braxted, Little Braxted, Wickham Bishops, Great Totham, Little Totham, Tolleshunt Major, Goldhanger, Tolleshunt Knights, Tolleshunt D'Arcy, Tollesbury
Heybridge and Langford	Heybridge, Langford
Maldon	Maldon Town
Rural South	Woodham Mortimer, Woodham Walter, Hazleigh, Mundon, Purleigh, Ulting, Stow Maries, Cold Norton, North Fambridge, Latchingdon, Althorne, Mayland
Rural East	Steeple, St. Lawrence, Bradwell-on-Sea, Tillingham, Asheldham, Dengie;
Southminster and Burnham-on-Crouch	Southminster, Burnham-on-Crouch.

2.75 A depiction of the sub-areas is shown in the Figure below.

Figure 2.8: Geography of Sub-Areas



3. HOUSING STOCK AND SUPPLY TRENDS

3.1 In this section we move on to profile the current housing offer. An important starting point for considering the future mix of homes needed is an understanding of the existing housing offer (by type, tenure and size) and how the mix of properties varies between tenures and within each area.

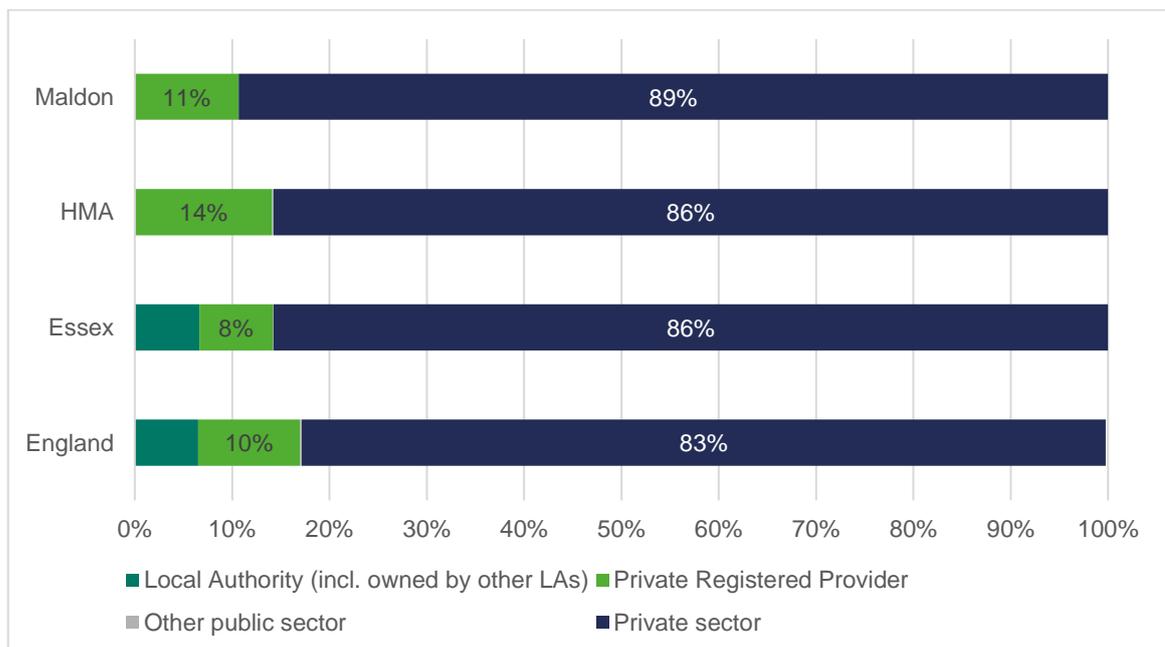
Housing Offer

Tenure Profile

3.2 There were 28,559 dwellings in Maldon in 2019. Of these, 89% are in the private sector (which includes both owner-occupied and private rented properties) and 11% owned by public sector organisations (including the Council and Registered Providers).

3.3 There were no records of properties owned within the 'other public sector' category in Maldon.

Figure 3.1: Tenure Profile, 2019



Source: MHCLG Table 100

3.4 Within the Private Sector, there is limited reliable local data available on the split between owner occupied housing and private renting. The 2011 Census showed:

- Levels of home ownership in Maldon District was higher than comparator areas (79%) – HMA (73%) and East of England (68%); and
- In Maldon District, 10% of the dwellings were in the Private Rented Sector. In the three HMA authorities, the size of the sector was below that seen across the region (15%).

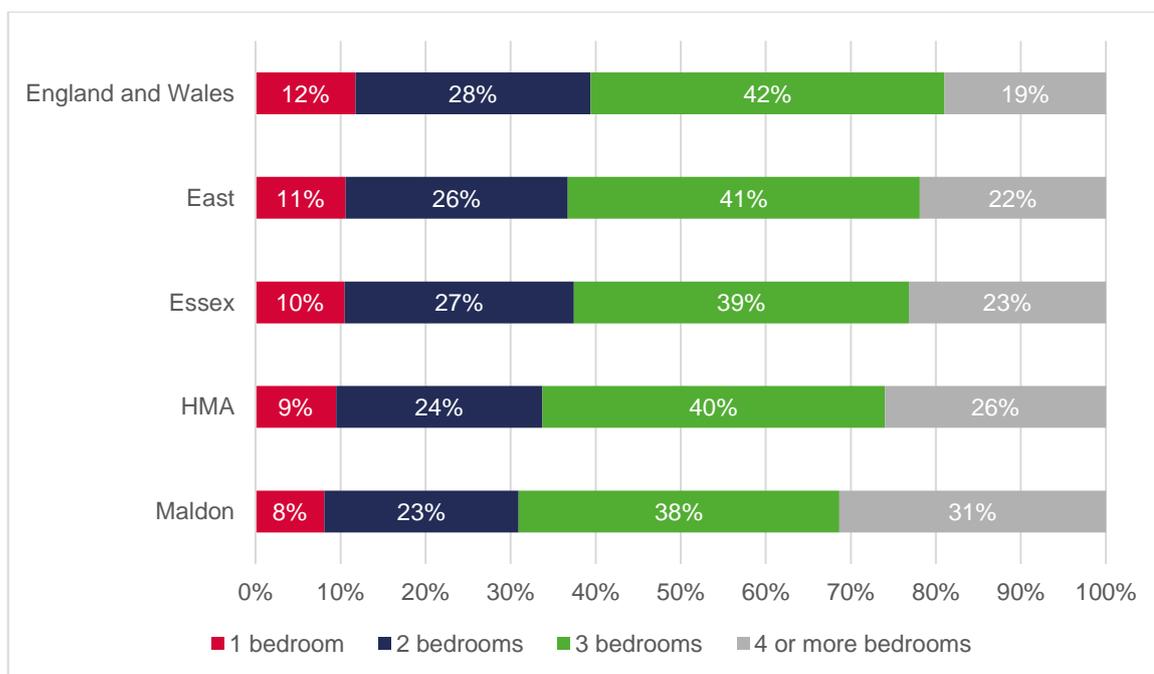
3.5 The English Housing Survey can be used to assess trends at a national level. What this shows is that across England, the Private Rented Sector now accommodates 20% of all households, with this proportion having doubled since 2006-7. Growth in Private Rented accelerated from 2006/7, but appears to have slowed in more recent years (since 2014).

3.6 It seems likely that growth in private renting will also have been seen within Maldon, although at a smaller scale. Figures for Maldon show a small increase to 11%. Icenii would however treat these figures with a degree of caution given that the sample size at a local authority level was small.

House Types and Sizes

3.7 To assess the profile of homes of different sizes, we have used 2011 Census data as a baseline. In Maldon District, 38% of the stock consisted of 3 bedrooms with higher proportions of 4+ bedrooms (31%), when compared to the wider HMA, the region and nationally.

Figure 3.2: Housing Stock by Number of Bedrooms, 2011



Source: 2011 Census

3.8 The Census data can be supplemented with the latest data from the household survey. Respondents were asked about the size of home they currently lived in. The results are shown in the Table below and support the Census findings, albeit with a more balanced view across the sizes.

Table 3.1 Size of Accommodation, Maldon, 2020

	Households	%
1 Bedroom	2,716	9.6%
2 Bedrooms	5,723	20.3%

3 Bedrooms	10,247	36.4%
4+ Bedrooms	9,479	33.6%
Total	28,164	100%

Source: Maldon District Household Survey 2020

- 3.9 A broader sample of house type data than that provided by the Census was gathered from the household survey. This is set out in the Table below and shows that almost half (47%) of households live in a detached property followed by semi-detached properties.

Table 3.2 Type of Accommodation, Maldon District, 2020

	Households	%
Detached	13,254	47.1%
Semi-Detached	8,324	29.6%
Terraced	4,043	14.4%
PB Flat	1,876	6.7%
Converted Flat	251	0.9%
Flat in Commercial Building	188	0.7%
Caravan or Other	227	0.8%
Total	28,164	100%

Source: Maldon District Household Survey 2020

- 3.10 The Regulator of Social Housing provides summary overview of social rented units by type for local authorities in England. Currently in Maldon, there are currently 16 private registered providers (RPs). 2.5% of the stock is owned by small RPs⁴ and 97.5% is owned by large PRPs⁵.

Table 3.3 Total Social Units by Provision Type in HMA, 2018

	Maldon	HMA
General Needs Rented	4,358	42,912
LCHO (Shared Ownership / Equity)	64	839
Supported Housing	54	1,264
Housing for Older People	1,551	3,395
Total	6,027	48,410

Source: The Regulator of Social Housing, 2018

⁴ <1,000 units owned

⁵ 1,000+units owned. PRPs refers to providers of social housing in England that are registered with the social housing regulator, but are not LAs (this is the definition of PRP in the 2008 Housing Act).

How Households Occupy Housing

- 3.11 Overcrowding is defined as the number of properties which have fewer rooms than their households require. The requirement is calculated based on the size, age and relationship of household members. Under-occupied properties on the other hand are those with more bedrooms than the household needs. For instance, an under-occupied property can relate to a couple with no children living in a two or more-bedroom property.
- 3.12 There has been a notable increase in overcrowded households at a national level (including young people living with their parents for longer) and Houses in Multiple Occupation (HMOs). This has been a symptom of affordability pressures, restrictions on access to mortgage finance and housing under-supply.
- 3.13 The English Housing Survey (2016-2017) states the rate of overcrowding in England for 2016/17 was 3%, with approximately, 682,000 households living in overcrowded conditions. Overcrowding was more prevalent in the rented sectors than for owner occupiers. Only 1% of owner occupiers nationally (183,000 households) were overcrowded in 2016-17 compared with 7% of social renters (268,000) and 5% of private renters (231,000).
- 3.14 The English Housing Survey indicates that number and proportion of overcrowded households in the owner-occupied sector has remained relatively stable over the last 20 years or so. In the social rented sector, overcrowding peaked at 7% in 2010-11, before dropping to 6% in 2012-13. It remained at 6% until 2014-15 but increased to 7% in 2015-16 where it remained in 2016-17.
- 3.15 However, the proportion of overcrowded households in the private rented sector increased from 3% in 1995-96 to a peak of 6% in 2011-12, and since then has decreased slightly to 5%. The rapid overall growth in private renters between 1995-96 and 2016-17 explains the pronounced increase in actual numbers of overcrowded households from 63,000 in 1995-96 to 231,000 in 2016-17.
- 3.16 This national trend is evident in Maldon where the proportion of residents living in over-occupied properties increased to 8% between 2001 and 2011. Given increasing affordability pressures, it is likely to have further growth since.
- 3.17 We have measured the occupancy of housing against the Census occupancy rating, which allows comparison of trends over time. In 2011, the proportion of overcrowded dwellings was 8% for Maldon (as a total of the current housing stock).

Table 3.4 Changes in Under and Over Occupied Households, Occupancy Rating, 2001-2011

	Under – Occupying Households			Over -Occupied Households		
	2001	2011	% Change	2001	2011	% Change

Maldon	858	916	7%	20,024	21,565	8%
HMA	2,626	1,950	-26%	38,519	41,430	8%
Essex	26,740	34,600	29%	426,153	447,640	5%
East	115,338	156,437	36%	1,750,298	1,853,001	6%
England	1,510,422	1,995,860	32%	16,254,820	17,070,912	5%

Source: 2001 and 2011 Census

- 3.18 Under-occupation in Maldon increased by 7% between 2001 and 2011. However, the bedroom standard can be used to provide a more accurate representation of overcrowding and under-occupancy, as it takes account of the age/sex of occupants and relationships between them.
- 3.19 In terms of under-occupancy, in 2011 79% of the housing stock in Maldon District was under-occupied, which is significantly higher when compared to the region (72%) and nationally (69%). This is influenced by high owner occupation and the age structure; whereby older owner occupying households can afford in essence to have more bedrooms than they might necessarily need or this group may indeed lack suitable alternative housing options.

Table 3.5 Under and Over Occupied Households, Bedroom Standard, 2011

	Under-Occupying Households	Over-Occupying Households
Maldon	79%	2%
HMA	75%	2%
Essex	73%	3%
East	72%	3%
England	69%	5%

Source: Census 2011

- 3.20 The Maldon District household survey sought to drill into the number of spare bedrooms being let-out across the District. The results are shown in the Table below around whether households were *currently* renting out spare bedrooms in their home.

Table 3.6 Households Renting out Spare Rooms, 2020

	Households	%
Yes, to lodgers	173	0.6%
Yes, to tourist	30	0.1%
Do not rent out	17,764	63.1%
No spare room	10,197	36.2%
Total	28,164	100%

Source: Maldon District Household Survey 2020

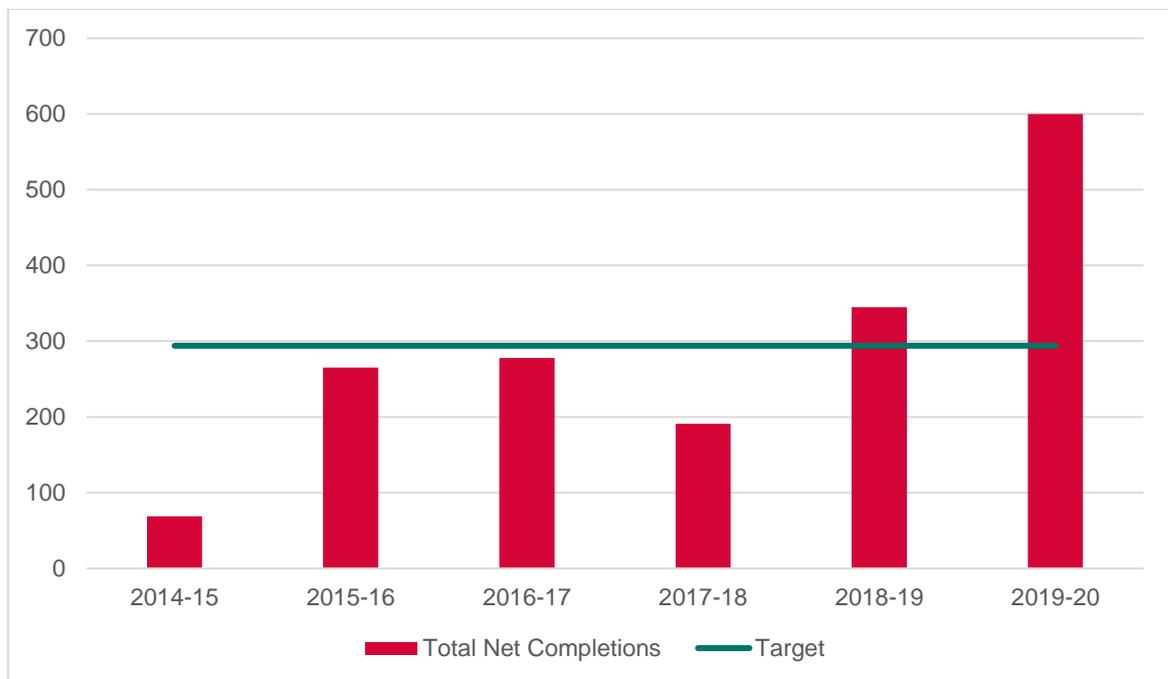
- 3.21 As the analysis shows, around two thirds of those with a spare room were not currently renting it out whilst around a third stated that they did not have a spare room. A small proportion of less than 1% were currently letting a spare room to lodgers or tourists.

Housing Supply Trends

Housing Completions

- 3.22 IcenI has examined housing completions data for Maldon District Council dating back to 2014/15. The period to 2017-18 saw an under-delivery in the District. In this period, 68% of the District's housing target was delivered, equating to an overall shortfall of 373 homes. This was influenced by the credit crunch and associated market downturn and correlates with trends nationally.

Figure 3.3: Housing Supply vs Target, 2014/15-2019/20



Source: Data supplied by Local authority and AMRs

- 3.23 Net housing completion numbers by tenure have been analysed over the last six years. In the period between 2014 and 2020, Maldon saw higher delivery of market housing overall.

Table 3.7 Housing completions in Maldon, 2014/15-2019/20

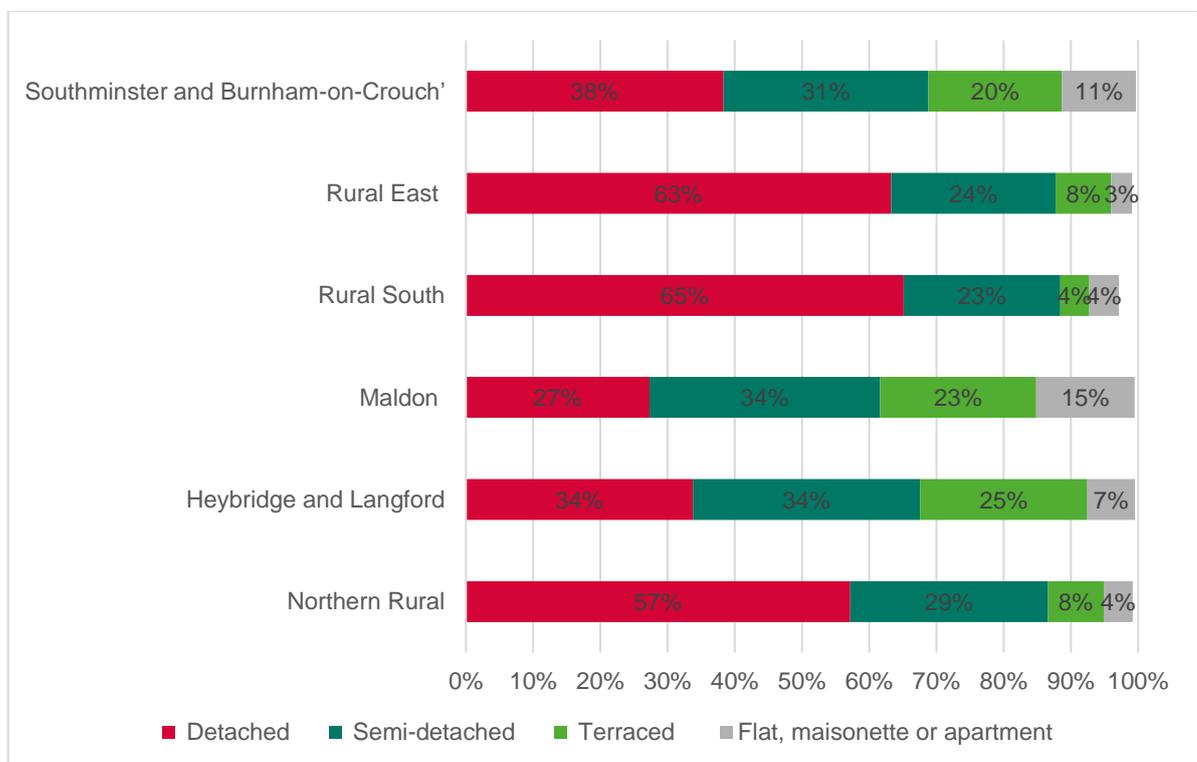
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Market	69	230	243	166	306	450	1,464
Affordable	0	35	35	25	39	150	284

Source: Completion data supplied by MDC

Sub-Area Analysis

- 3.24 To develop a profile of housing stock in different parts of the District we have first considered 2011 Census data, before seeking to appraise how the housing stock profile has changed since the last Census.
- 3.25 The profile by dwelling types is shown in Figure 3.4. A distinction between the urban and more rural areas of the District is evident. Detached and semi-detached properties, which are typically larger, account for 80% or more of the housing stock in the Rural South and Northern Rural (with 60% or more of the dwelling stock being detached). Higher proportions of terraced and flatted properties are then seen in Maldon Town and Heybridge and Langford, as well as Rural East.

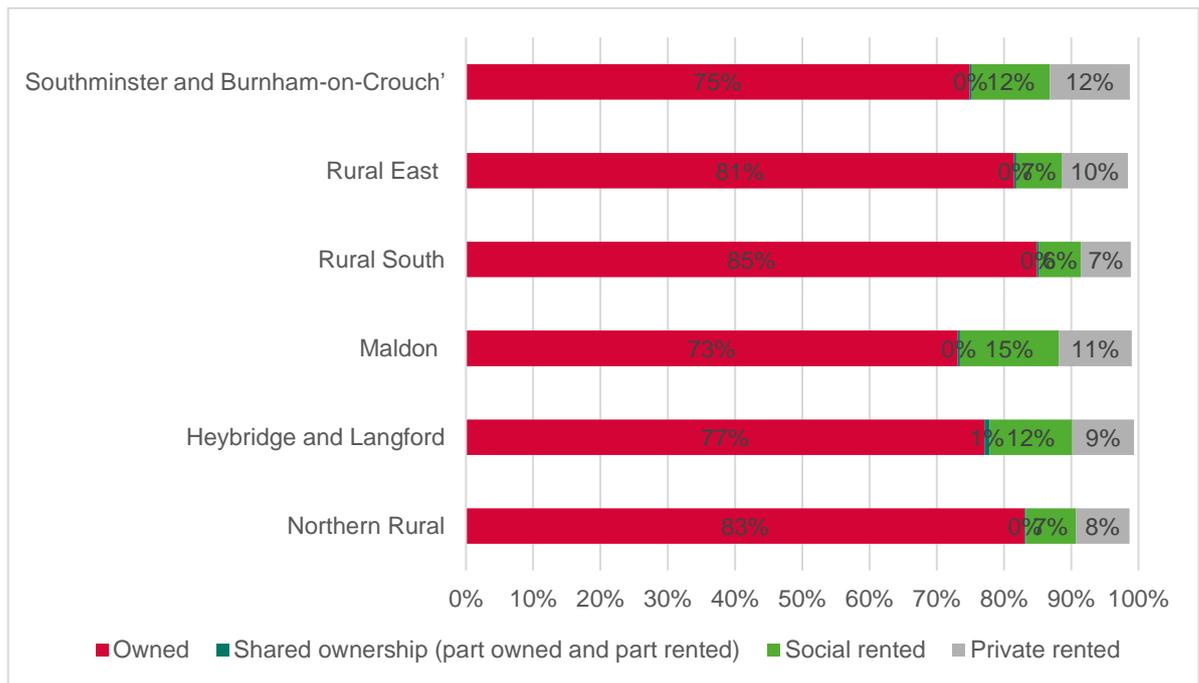
Figure 3.4: House Type Profile by Sub-Area, 2011



Source: 2011 Census

- 3.26 The tenure profile across the sub-areas is generally of relatively strong levels of home ownership in 2011. Home ownership is highest in the Rural South sub-area at 85%; whilst in contrast in Maldon Town was 73%. The profile in Maldon Town is influenced by a much larger social rented sector (including RPs and PRPs), which accommodated 15% of households in 2011.

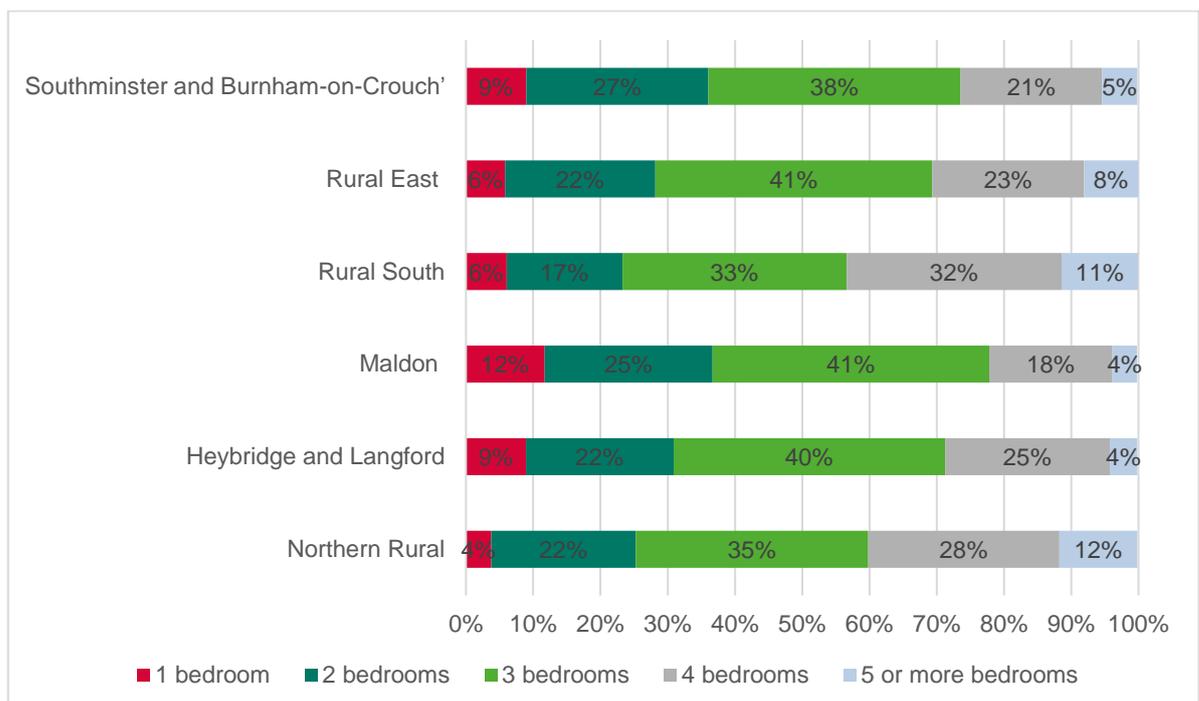
Figure 3.5: Tenure Profile by Sub-Area, 2011



Source: 2011 Census

3.27 The chart below provides a profile of the housing stock of different sizes by sub-area. The highest proportions of smaller sized properties (1 and 2 bed) were recorded in Maldon Town and Heybridge and Langford. The highest proportion of 3 and 4 bedroom properties is recorded in Rural South (65%) and Rural East (64%).

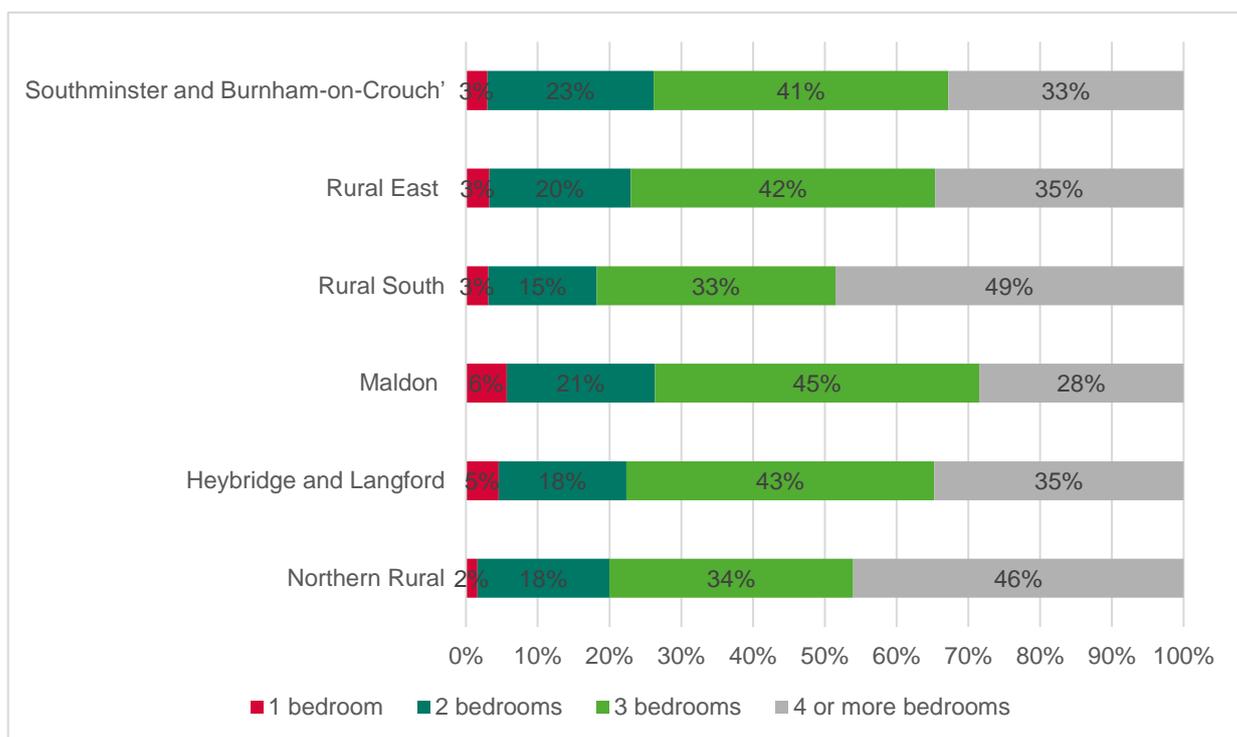
Figure 3.6: Overview of Dwelling Stock by Size and Sub-Area, 2011



Source: 2011 Census

3.28 The house size profile and the tenure profile relate to one another, and we have therefore sought to appraise the profile of dwelling sizes by tenure and sub-area below. Across all of the sub-areas, the proportion of 1-bed properties which were owner occupied accounted for 5% or less of the dwelling stock. Higher proportions of 2-bed owner occupied properties are evident in the Southminster and Burnham-on-Crouch area, followed by Maldon Town, and Rural East.

Figure 3.7: Size Profile of Owner Occupied (inc. Shared Ownership) Stock, 2011



Source: 2011 Census

3.29 Across most areas the highest proportion of owner-occupied properties had three bedrooms. Levels of 4+ bed owner occupied properties were highest in the Northern Rural and Rural South sub-areas.

3.30 The figure below shows the distribution of social rented accommodation within the District by size. It can be seen that the highest proportion of 1 and 2 bed social dwellings were located in Southminster and Burnham-on-Couch (73%), followed by Maldon Town (66%). In terms of 3 and 4 bedroom social rented properties, the highest concentration is in Northern Rural (44%), followed by Rural South (42%).

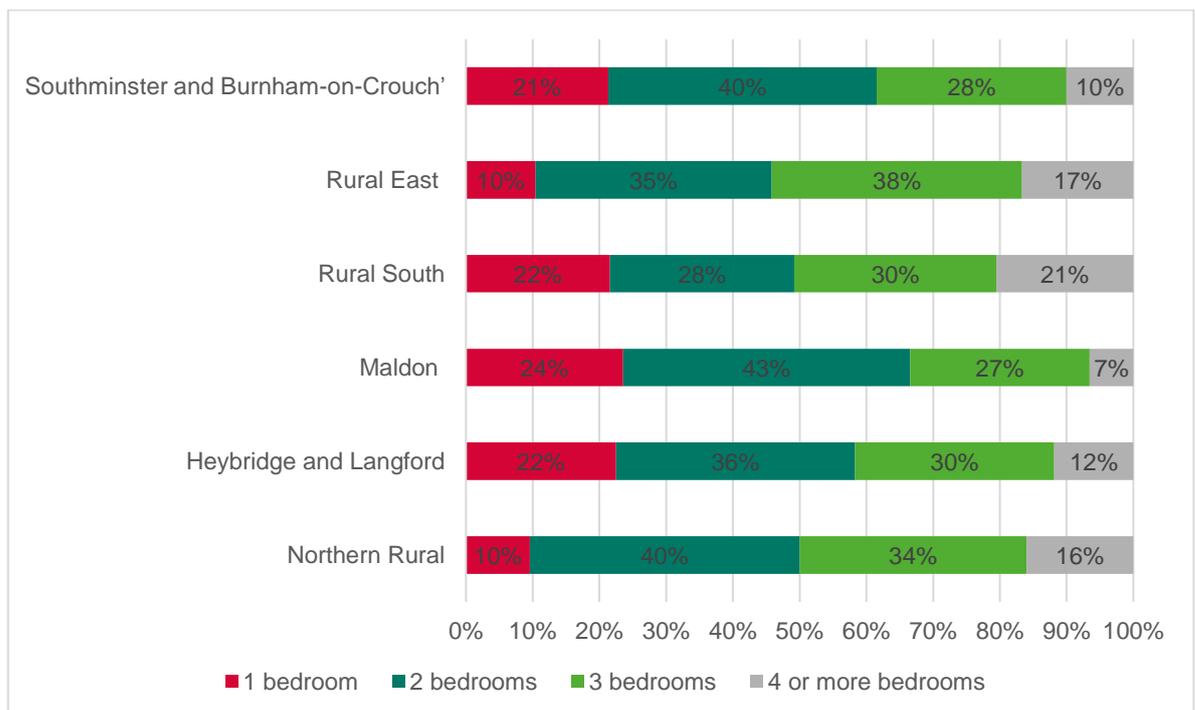
Figure 3.8: Distribution of Social Rented Housing by Sub-Area and Size, 2011



Source: 2011 Census

3.31 The stock of private rented properties in the District in 2011 is shown below. The highest proportions of 1 and 2 bedroom private rented properties were concentrated in Maldon Town (67%), followed by Southminster and Burnham-on-Crouch (62%). In terms of 3 and 4 bedroom private rented properties, the highest concentration was recorded in Rural East (54%).

Figure 3.9: Size Profile of Private Rented Properties by Sub-Area, 2011



Source: 2011 Census

3.32 The profile of housing stock and the relationship between this and household sizes influences the occupancy of homes. Levels of overcrowding in Maldon Town for 2011 are considered to be low as demonstrated in the Table below.

3.33 Under-occupancy levels are significantly higher, in particular, as households can choose to live in larger properties if they can afford to do so (particularly in the market sector) and often seek additional rooms, which may not be permanently occupied to accommodate friends/ family coming to visit. The level of under-occupied properties is greatest in the Northern Rural sub-area.

Table 3.8 Overcrowding and Under-Occupancy by Sub-Area, 2011

	Overcrowding	Under-Occupancy
Northern Rural	1%	86%
Heybridge and Langford	2%	76%
Maldon	2%	73%
Rural South	1%	83%
Rural East	1%	83%
Southminster and Burnham-on-Crouch'	2%	77%

Source: 2011 Census

4. HOUSING MARKET DYNAMICS

- 4.1 This section considers the recent housing market dynamics in Maldon District in respect of house prices, sales, rental values and affordability. This section also includes local intelligence from our engagement with estate and lettings agents.

Housing Market Dynamics

House Prices

- 4.1 The median value of house sales in Maldon in 2019 was £320,000. This was 6% (£24,500) above the East of England average and 16% (£65,000) above the national average. Relative to the national average, prices for all non-flatted properties in Maldon District are substantially stronger (pointing to stronger relative demand). In contrast, values for flatted properties are weaker, pointing to a weak market for flats in the District overall.

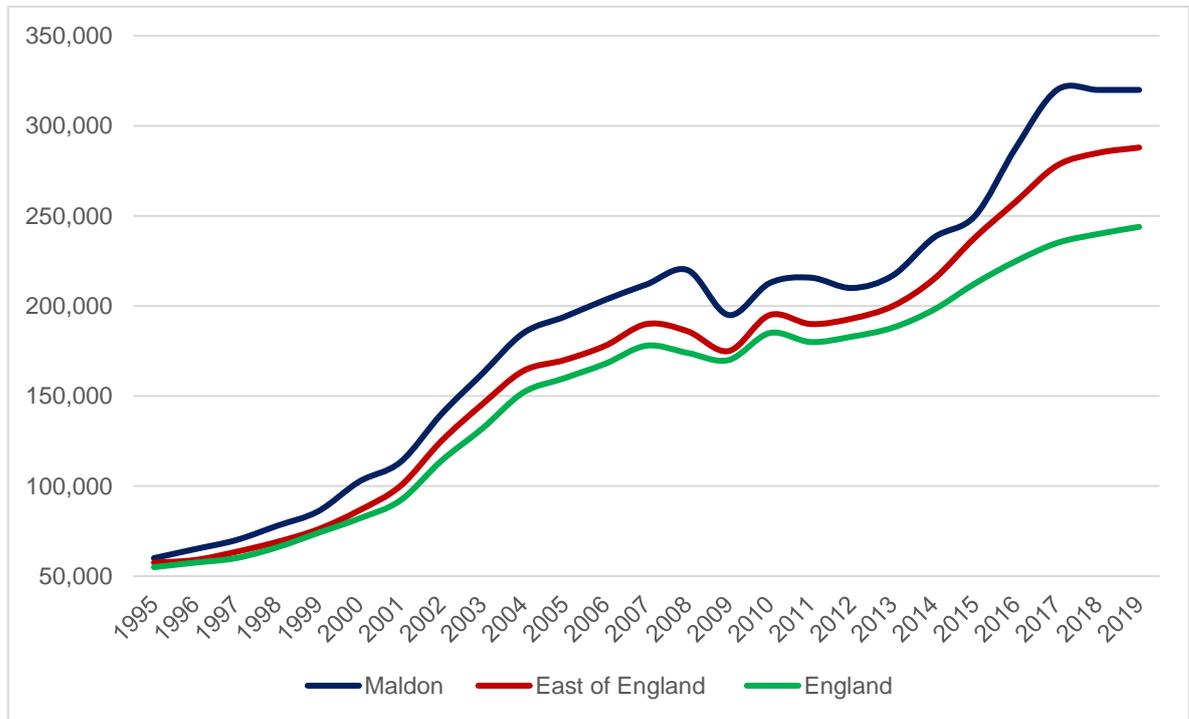
Table 4.1 Median House Prices, 2019

	Detached	Semi-Detached	Terraced	Flat/Maisonette	All Sales
Maldon	£410,000	£299,995	£258,750	£166,000	£320,000
East of England	£385,500	£289,100	£255,000	£196,000	£288,000
<i>Differential</i>	<i>£24,500</i>	<i>£10,895</i>	<i>£3,750</i>	<i>- £30,000</i>	<i>£32,000</i>
England	£345,000	£218,000	£190,000	£215,000	£243,950
<i>Differential</i>	<i>£65,000</i>	<i>£81,995</i>	<i>£68,750</i>	<i>- £49,000</i>	<i>£76,050</i>

Source: Icen Analysis of ONS Small Area House Price Statistics

4.2 The Figure below charts growth in the median house price over the period since 1995. House prices in Maldon closely followed the national trend across England over time, with stronger price growth in Maldon in the pre-recessionary period between 2003-08, a more significant dip during the recession and a strong recent increase from 2015 to 2017 before levelling off.

Figure 4.6: Median House Prices, 1995-2019



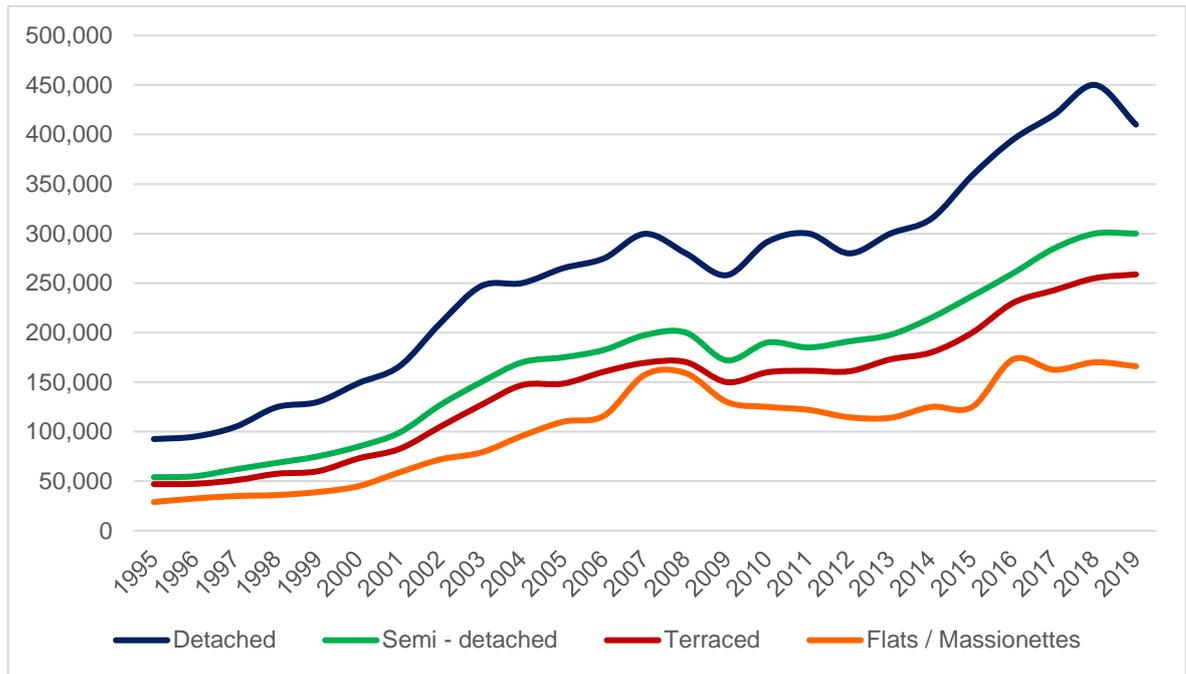
Source: Icen analysis of ONS Small Area House Price Statistics

4.3 Trends in the values of different types of properties in Maldon District are shown in Figure 4.7 below. It shows that in the longer-term, the strongest value growth has been for detached properties which continued to increase until 2018, after which values experienced a decrease to £410,000.

4.4 In contrast, the values of flatted properties originally peaked in 2008 at £159,000 in Maldon and experienced a decrease throughout the recession, before a further peak in 2016 at £173,000.

4.5 Terraced and semi-detached properties have seen similar trends in value growth over time. Values in 2019 were £88,500 above the 2008 peak for terraced homes and £99,995 for semi-detached homes.

Figure 4.7: Trends in Median Price by Property Type, Maldon



Source: Icenis analysis of ONS Small Area House Price Statistics

4.6 An analysis of changes in the median house price over time shows the cyclical nature of the market. Prices grew by 6.1% per annum between 2014-19, which is notably greater than the growth seen between 2009-14 (4.1%) or between 2004-9 (3.7%). The strongest growth in absolute and percentage terms over the last 10 years has been in values of detached and semi-detached properties.

Table 4.2 Annual Growth in House Prices in Maldon over Different Time Periods

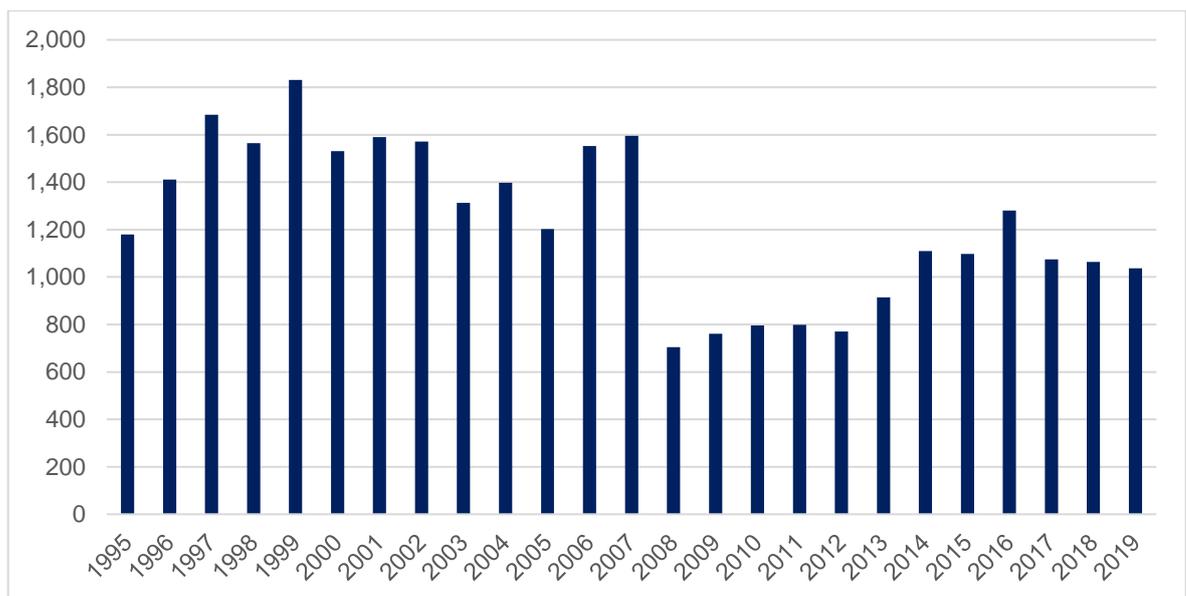
	2014-19		2009-14		2004-19	
	PA	CAGR	PA	CAGR	PA	CAGR
Detached	19,000	5.4%	11,400	4.1%	10,667	3.4%
Semi-Detached	16,999	6.9%	8,600	4.6%	8,667	3.9%
Terraced	15,750	7.5%	6,000	3.7%	7,450	3.8%
Flat/Maisonette	8,200	5.8%	-995	-0.8%	4,683	3.7%
All Sales	16,400	6.1%	8,600	4.1%	9,000	3.7%

Source: IcenI analysis of ONS Small Area House Price Statistics

Sales

4.7 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of 'effective demand' for market housing. Sales volumes average 1,393 per annum over the 15-year period to 2009. They fell dramatically as a result of the 'credit crunch', before picking up from 2013 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Maldon District have however been falling since 2016.

Figure 4.8: Sales of Market Housing in Maldon District, 1995-2009



Source: IcenI analysis of ONS Small Area House Price Statistics

4.8 Structural issues with the housing market have inhibited a recovery in sales volumes to pre-2008 levels at a national level which is also clear in Maldon District. Access to mortgage finance is more restricted with lower availability of mortgages on high loan to value ratios and requirements for 'stress testing', which includes assessing the ability of households to pay higher interest rates than the current level.

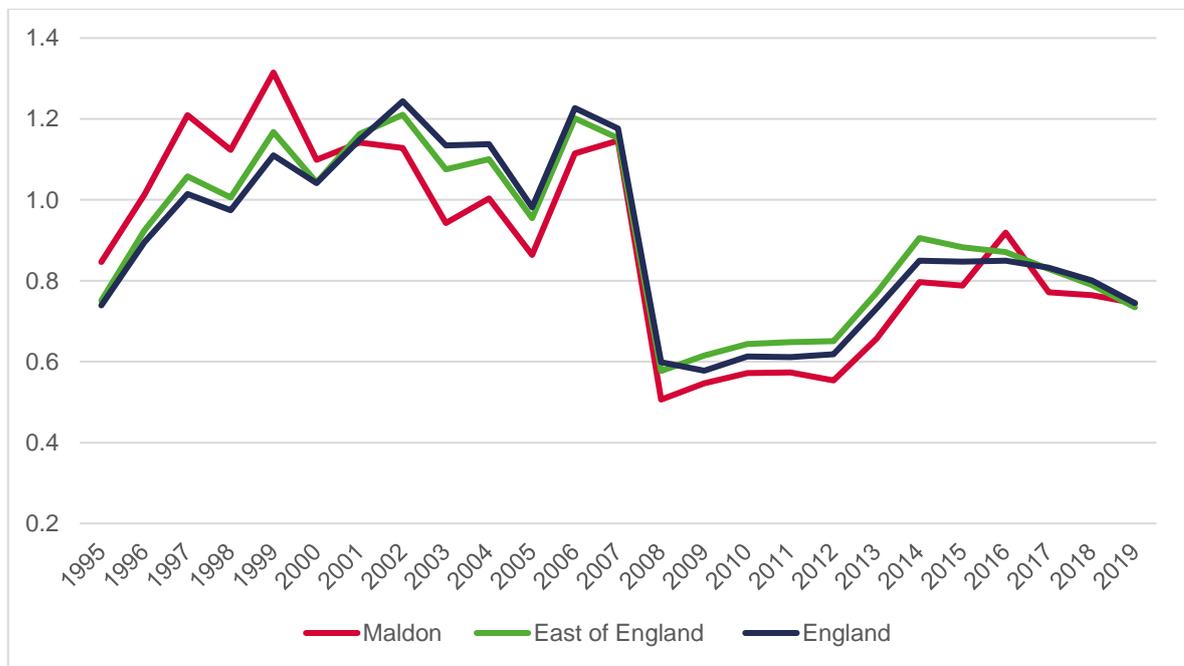
4.9 A growing older population which typically moves less often has also restricted housing market activity and chains, with fewer older households moving in part because of a compression of prices

between 2- and 3-bed properties according to analysis from UK Finance. A consistent low inflation environment has less reduction in the real value of debt.

4.10 The growth in house prices has created affordability issues which serve both to restrict the ability of non-home owners to purchase a home and has led to significant rises in Stamp Duty, which means that the 'transactional cost' of moving is now significant, with many households looking to extend homes, rather than move. It is this combination of issues which underlies lower market housing sales and transactional activity over the last decade.

4.11 The analysis below benchmarks sales trends relative to average over the 1995-2009 period. It shows a strong correlation between sales trends in Maldon and nationally indicating that these national trends are equally affecting the market in Maldon.

Figure 4.9: Comparative Analysis of Long-term Trends in Sales of Market Housing

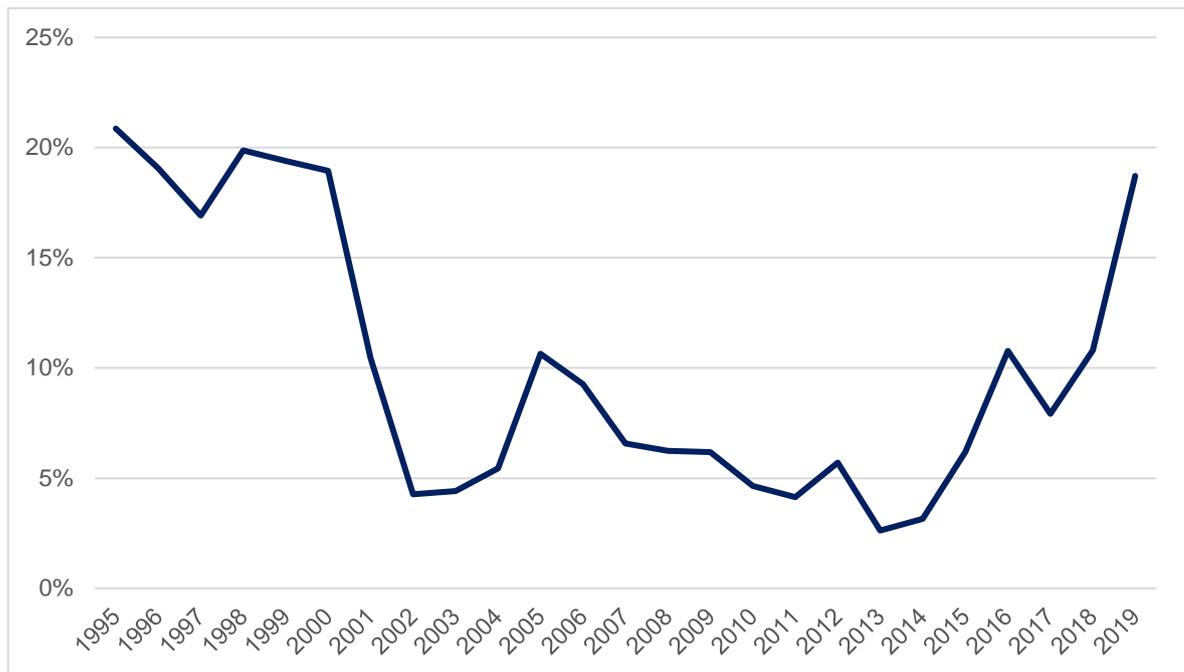


Source: Icen analysis of ONS Small Area House Price Statistics

4.12 The drop in sales volumes seen since 2016 is likely to have been influenced by the effects of macro-economic uncertainty on the market - linked to Brexit - coupled with changes to mortgage interest relief which have affected the buy-to-let market.

4.13 Influenced by Government support for the housing market, in many areas we have seen growth in the proportion of sales accounted for by new-build properties, including within Maldon. New-build sales in 2019 accounted for 19% of total sales; but the evidence would suggest potential for this to grow further.

Figure 4.10: New-Build Sales Trends in Maldon



Source: IcenI analysis of ONS Small Area House Price Statistics

- 4.14 Our analysis suggests that new-build sales volumes have been strongly supported by the Government’s Help-to-Buy Equity Loan Scheme, which has supported an average of 43% of new-build sales over the 2013-19 period.

Table 4.3 Market Support from Help-to-Buy Equity Loan, Maldon

	2013	2014	2015	2016	2017	2018	2019	Total
Total New-Build Sales	24	35	68	138	85	115	195	660
Sales with HTB Equity Loan	0	5	28	35	34	58	121	281
% Supported by HTB	0%	14%	41%	25%	40%	50%	62%	43%

Source: IcenI Analysis of HTB Equity Loan Statistics and New-Build Sales (from ONS Small Area House Price Statistics)

Private Rental Values

- 4.15 IcenI have also reviewed current private rents in Maldon District against the regional and national average. The data is drawn from the Valuation Office Agency (“VOA”) Private Rental Market Statistics. Median monthly rents vary from £560 for a Studio to £1,300 for 4+ bed properties in Maldon.

Table 4.4 Monthly Rents in Maldon, Year to March 2020

	Count of Rents	Lower Quartile	Median	Upper Quartile

Room	0	-	-	-
Studio	10	£500	£560	£623
1-bed	100	£575	£650	£695
2-bed	180	£750	£825	£875
3-bed	110	£950	£995	£1,100
4+ bed	60	£1,150	£1,300	£1,500
All Lettings	450	£700	£850	£1,000

Source: IcenI analysis of ONS Private Rental Market Statistics

- 4.16 Whilst the median rent for all properties is 6% below the East of England average, rents in Maldon for studio to 3-bed properties are all above the national and regional average, as the table below shows.

Table 4.5 Monthly Rents vs. Wider Comparators, Year to March 2020

	Maldon	East of England	England
Room	-	£425	£351
Studio	£560	£525	£550
1-bed	£650	£650	£625
2-bed	£825	£760	£695
3-bed	£995	£900	£795
4+ bed	£1,300	£1,300	£1,300
All Lettings	£850	£795	£700

Source: IcenI analysis of ONS Private Rental Market Statistics

- 4.17 IcenI have also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 17%. The strongest growth has been for smaller properties with 1-bedroom properties growing by 24%. This points to some need for growth in the stock of smaller property types - particularly in more urban locations in the Maldon District.

Table 4.6 Rental Growth in Maldon, 2014/15 – 2019/20

	2014/15	2019/20	Change	% Change
Room	-	-	-	-
Studio	-	£560	-	-
1-bed	£525	£650	£125	24%
2-bed	£700	£825	£125	18%
3-bed	£850	£995	£145	17%
4+ bed	£1,098	£1,300	£202	18%
All Lettings	£725	£850	£125	17%

Source: IcenI analysis of ONS Private Rental Market Statistics

Engagement with Estate and Lettings Agents – District-Wide

- 4.18 IcenI has engaged with a number of estate and lettings agents to gather information and market insight around house prices, sales, rental values and overall buoyancy to supplement our data analysis from national sources. The sub-sections below deal with each area of the market in turn.

Sales Market

- 4.19 This sub-section outlines the key findings of consultation with local housing agents in the district. The agents IcenI engaged with were located in the District towns of Burnham-on-Crouch and Maldon town, as well as the village of Latchingdon. This is reflected in the extent of the evidence for each.
- 4.20 The general findings were that District’s residential market is very buoyant with a wide mix of buyers and the market has seen an influx of interest, after Covid-19 restrictions in Spring/Summer 2020 were lifted. The District generally attracts buyers of all ages, although there are less first-time buyers within the area, which was considered to be due to high house prices compared to the national average.
- 4.21 There is a trend for buyers in Maldon District to come from the eastern side of London, such as Dagenham and Romford, as well as Thurrock. Overall, there is an increasing number of purchasers coming from outside of the district, agents attributed this to buyers wanting to have more space especially as commuter patterns may change in light of Covid-19 pandemic. There is however also a high proportion of people moving within the District.
- 4.22 There is a general demand for 3-bedroom detached and semi-detached properties. Agents describe there is less of a demand for flats as people would like to have gardens. In more recent months, the demand for larger 4-bedroom family homes has also increased, again attributed to buyers moving out of cities to gain more space following the Covid-19 pandemic. Agents also suggested buyers are taking advantage of the Stamp Duty Land Tax holiday and therefore seeking higher value properties.
- 4.23 Many agents highlighted an acute need for bungalows within the area, often elderly people are interested in these properties and also families as they often come on larger plots. There is some

investor interest in the area particularly for flats, although this is not a major part of the housing market. Agents in Maldon noted that they currently have limited involvement in new build sales, as there only a small proportion of new builds in the area coming forward at the moment which are typically marketed by the housebuilder directly.

- 4.24 Agents suggested overall demand is greatest for middle range value properties around the £400,000 to £500,000 as people often currently own lower value properties and are looking to move homes and increase the amount spent on a property. The recent effect of covid-19 and the subsequent Stamp Duty Land Tax holiday is that there are more buyers of all ages looking to buy in Maldon, hence the market is very buoyant.
- 4.25 All agents agree the residential sales market in the district is performing well and since Covid-19 pandemic restrictions have been reduced there has been an influx of stock onto the market to supply this demand although properties are being sold particularly quickly compared to the pre-Covid-19 housing market, hence this supply may not be able to keep up with demand. House prices have stayed static over the past few years and there are currently no major spikes in house prices being experienced due to Covid-19.
- 4.26 However, due to an increase in competition and a predicted demand greater than supply, house prices may start to rise within Maldon District in the future. This should however be read in the context of the ongoing pandemic and is not necessarily an indicator of a continuing trend.

Rental Market

- 4.27 Icenii undertook market research in July 2020 speaking to local estate agents and letting agents in different parts of Maldon District to understand local market dynamics. This included a selection of agents across the district including Burnham-on-Crouch, Latchingdon and Maldon town. Agents indicated the rental market across the whole district is extremely active with a particular peak in demand since the Covid-19 Spring/Summer 2020 restrictions were lifted. Rental properties are being let on a faster basis than previously before the Covid-19 pandemic.
- 4.28 More generally the market is varied with people of all ages renting within the district however there is a definite trend of younger single people, couples and young families looking to rent within the area. Most of those seeking rental properties in Maldon live locally or used to live locally and are looking to move back into the area. Some renters are moving out of cities mainly London and are looking for a more rural life, this was particularly stressed by agents in the south east of the district within the Dengie Peninsula.
- 4.29 Agents referred to a possible effect of the Covid-19 pandemic being that some people have less job security and would therefore prefer to rent, rather than buy a property at the moment. Some agents

referred to the trend of those living in the south of the district, near the train stations, also commute out to London and Chelmsford for work.

- 4.30 Agents in the southern part of the district covering Rural South East Higher and Lower and Rural South Sub Areas describe a popular rental market with greater relative demand from younger people often with families seeking 2 and 3 bed properties in particular. However, people of all ages do rent within the area, thus properties of all sizes are popular on the rental market.
- 4.31 Agents describe those who live in the towns with train stations such as Southminster, North Fambridge and Burnham-on-Crouch utilise the train stations and commute out of Maldon District to go to work. Agents in the southern part of the district describe a very strong rental demand pre Covid-19, but the demand has increased since, leading to a current undersupply of properties on the rental market. One agent referred to some rental properties receiving over thirty applicants.
- 4.32 Rental values have stayed static in the previous few years and the Covid-19 pandemic currently hasn't affected rental prices, although if the under supply in rental properties continues landlords may increase prices due to increased demand. Average prices for a 3-bed property in Rural South East Higher and Lower and Rural South Sub Areas is £1000- £1100 per calendar month.
- 4.33 Similarly, in the northern part of the district covering Maldon Central and South, Maldon North and Northern Rural sub-areas agents describe the rental market varied with different ages, but there is a focus on couples and small families seeking 2 or 3-bed properties; the key driver behind this focus is the market is price orientated, many smaller and therefore cheaper properties are on the rental market, hence couples and young families rent these properties.
- 4.34 Agents referred to trend of renters living in northern parts working more locally. Rental values are similar to in the south of the district with a 3- bed property average rental price of £1000-£1100 per calendar month. It was suggested there has been an increase in the number of renters due to potential buyers of properties not being able to get a mortgage due to changes in deposits from mortgage lenders. Again, in the northern part of the district, the rental market is very active often with a greater demand than supply of rental properties.
- 4.35 All agents whom we spoke to suggest a strong rental market at the current time across Maldon District; however, often there is insufficient number of rental properties on the market relative to demand, this demand has increased since the start of the Covid-19 pandemic.
- 4.36 The Table below highlights the higher average values for properties in Northern Rural, Maldon Central and South and Rural South East Higher and Maldon North and Maldon South East Lower attracting lower purchase prices.

Table 4.7 Sales Value Evidence in Maldon District

	2-Bedrooms	3-Bedrooms	4-Bedrooms	Average
Northern Rural	£320,000	£500,000	£650,000	£490,000
Maldon North	£220,000	£360,000	£400,000	£326,000
Maldon Central and South	£360,000	£465,000	£615,000	£480,000
Rural South	£270,000	£425,000	£660,000	£451,000
Rural South East Lower	£265,000	£400,000	£425,000	£363,000
Rural South East Higher	£350,000	£460,000	£600,000	£470,000

Source: Local Estate Agents and Rightmove

Engagement with Estate and Lettings Agents – Sub-Areas

4.37 Icenis has also engaged agents on specific areas across the District having due regard to the sub-areas in Maldon District. This is set out below.

Northern Rural

4.38 The area is currently very active with greater demand than supply. Agents referred to the rural areas being more expensive compared to the towns in general across Maldon, this is the case within the Northern Rural area which sees some of the highest house prices in the district. Towns and villages within the area benefit from being within a 25 minutes' drive from Colchester.

4.39 Many families look to buy in this area, usually for 2- and 3-bedroom semi-detached and detached properties due to the good schools and open space. Although there is a mix of buyers in the area, there are fewer first-time buyers due to the high house prices. An agent highlighted this area is likely to become increasingly popular with buyers moving out of London, looking for more space as Covid-19 has potentially lessened the need to commute.

Maldon North

4.40 The area has a very buoyant property sales market. It attracts more first-time buyers and young families as house prices are considerably cheaper within the towns in this area namely Heybridge and Langford, although agents did refer to the heightened difficulty for first-time buyers to purchase a property due to the 5% and 10% deposit mortgage schemes being withdrawn as a result of Covid-19.

4.41 The sales market within the area is currently performing well, agents suggested as the demand for properties continues house prices could rise in the area due to increased competition. Agents in the area describe an acute demand for 2 and 3 bed properties, this has been a consistent trend for the past few years. Agents indicated there is limited market for flats.

Maldon Central and South

- 4.42 Agents in the area provided similar analysis to the Northern Rural area - it is currently very active with a high proportion of purchasers being families with existing properties looking for properties in the £350,000 to £500,000 price range, house prices in the area are similar to that of the Northern Rural sub-area, considerably higher than the national average.
- 4.43 Many potential buyers are coming from the eastern side of London and more built up areas of Essex and are therefore looking for more internal and external space. Agents describe little change in values in the recent years and no significant impact on prices from Covid-19. There is a continued trend in popularity of 2 and 3-bed semi-detached and detached properties and a lack of market for flats.
- 4.44 Agents state that people accept they will need to drive – given the sub-area doesn't have a station – hence, rural properties are popular within the area. Agents in the area also stated the residential sales market is currently performing well and seems to continue to stay buoyant as demand for properties stays strong given the Stamp Duty Land Tax holiday, the issue may be not enough properties to full this demand.

Rural South

- 4.45 Agents in the area describe a very active sales market with more running sales than they have ever previously experienced, agents attributed this to the Stamp Duty Land Tax holiday and people wanting to move out of urban area to gain more space; agents also highlighted the Stamp Duty Land Tax holiday has spiked a greater interest in the higher value properties within the area.
- 4.46 Agents suggest the area attracts approximately 60% of buyers from the local area and 40% from the wider urban areas such as London and Thurrock. Many families look to buy in this area, usually for 3- and 4-bedroom properties. The area benefits from train stations at North Fambridge and Althorne, hence people can easily commute from this area.
- 4.47 This is reflected in the house prices with the area having similar house prices to the Northern Rural sub-area, agents suggested house prices have stayed steady over the last few years. Agents also referred to less first-time buyers being able to afford to buy within the area.

Rural South East, Lower

- 4.48 Agents in Rural South East Lower again describe a buoyant housing market, despite the area being predominantly the Dengie National Nature Reserve. Agents suggest a high proportion of buyers are retirees who live away from the commuter towns and older families looking for a quieter pace of life, for example in Tillingham.
- 4.49 Rural South East Lower sees some of the lower end house prices in the district. There is a mix of potential buyers from Maldon and surrounding areas and often retirees come from further away.

Agents describe little change in values in the recent years and no significant impact on prices from Covid-19, although they have predicted as more buyers move out of London with larger values to spend on properties this could potentially push up house prices within the area.

- 4.50 There is a continued trend in popularity of 2 and 3-bed semi-detached and detached properties and a lack of market for flats. Agents stressed that the area could benefit the most from more bungalows and retirement properties as this is the area that attracts the most aged 60+ residents.

Rural South East, Higher

- 4.51 Agents in the area provided similar analysis to the Rural South sub-area - the sales market is especially active due the Stamp Duty Land Tax holiday. House prices are some of the highest in the district similar to Rural South and Northern Rural sub-areas, these prices have stayed static for the last few years, agents attributed this to the fastest commuter links to London within the District.
- 4.52 This is based on where buyers come from, with agents suggesting approximately 60% of buyers are from London and continue to work within London and commute. There is demand for all types of properties including flats within the towns with train stations and also family sized homes (3- and 4-bedroom properties), particularly as more buyers want to move further out of London.
- 4.53 Agents also stated the fact that, although flats are popular there are less first-time buyers able to buy due to the changes to 5% and 10% mortgages as a result of Covid-19. Hence, buyers within this area often already own a property.

Market Affordability

- 4.54 The median house price-to-earnings ratio in Maldon in 2019 at 11.87 is significantly higher than both the East of England and England averages, at 9.47 and 7.83 respectively, pointing to stronger relative affordability pressures. This is based on workplace-based earnings.
- 4.55 Residents' earnings are higher than workplace-based earnings, by an average of around £8,000 per year. The median house price for residents is therefore a lower figure of 9.0 times earnings.

Table 4.8 Median House Price to Earnings Ratio in Maldon, 2019

	Residence-based	Workplace-based
Median House Price, Yr to Sept 2019	£319,998	£319,998
Median Annual Earnings, 2019	£35,220	£26,953
Median House Price-to-Income Ratio	9.09	11.87

Source: ONS House Price to Earnings Ratios

- 4.56 Over the last 15 years the median house price-to-earnings ratio has increased by almost 4 points, from 8.0 in 2003 to 11.9 in 2019. It has seen significantly greater comparative growth than has been

evident across the East of England or nationally pointing to a stronger comparative deterioration in affordability in the District.

- 4.57 This increase has largely occurred over the last 5 -year period (2014-19). As affordability is an input into the Government's standard method, this influences future housing needs.

Table 4.9 Trend in Workplace-based House Price-to-Earnings Ratio

	2004	2009	2014	2019	5 Year Change	15 Year Change
Maldon	8.0	7.12	8.87	11.87	3	3.87
East of England	7.19	6.86	7.83	9.47	1.64	2.28
England	6.60	6.39	7.09	7.83	0.74	1.23

5. OVERALL HOUSING NEED

- 5.1 This section considers overall housing need in the Maldon District. It considers the basis of the current housing requirement; and then considers what current national policy means regarding the (unconstrained) local housing need in Maldon District.

Local Plan Housing Requirement

- 5.2 The Maldon Local Development Plan was adopted by the Secretary of State on 21st July 2017. The Plan looks over a plan period of 2014 to 2029. The Plan's strategy under Policy S2 Strategic Growth sets out that the Council will plan for a minimum housing requirement of 4,650 homes which is equal to 310 homes per annum.
- 5.3 The Framework (paragraph 33) sets out that policies in local plans should be reviewed at least once every five years and should then be updated where necessary.⁶ The Framework directs that where strategic policies are more than five years' old and have not been 'reviewed and found not to require updating,' housing need should be considered using the standard method in Planning Practice Guidance and this should form the basis for assessing five- year housing land supply and housing delivery.
- 5.4 The Local Plan was adopted less than five years ago and is therefore considered to be an up to date housing requirement with regards to calculating local housing need using the standard method. However, the Local Plan was supported by a Strategic Housing Market Assessment ("SHMA") originally completed in 2008 and updated throughout the process with the final SHMA update in September 2014.
- 5.5 As the Local Plan works towards its five -year anniversary, in order for the Council to consider whether the Local Plan housing requirement needs updating or not, it is necessary to consider the latest evidence on housing need. This would also form the basis of considering housing need in the preparation of a new Local Plan.

⁶ This is a legal requirement as set out in Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012.

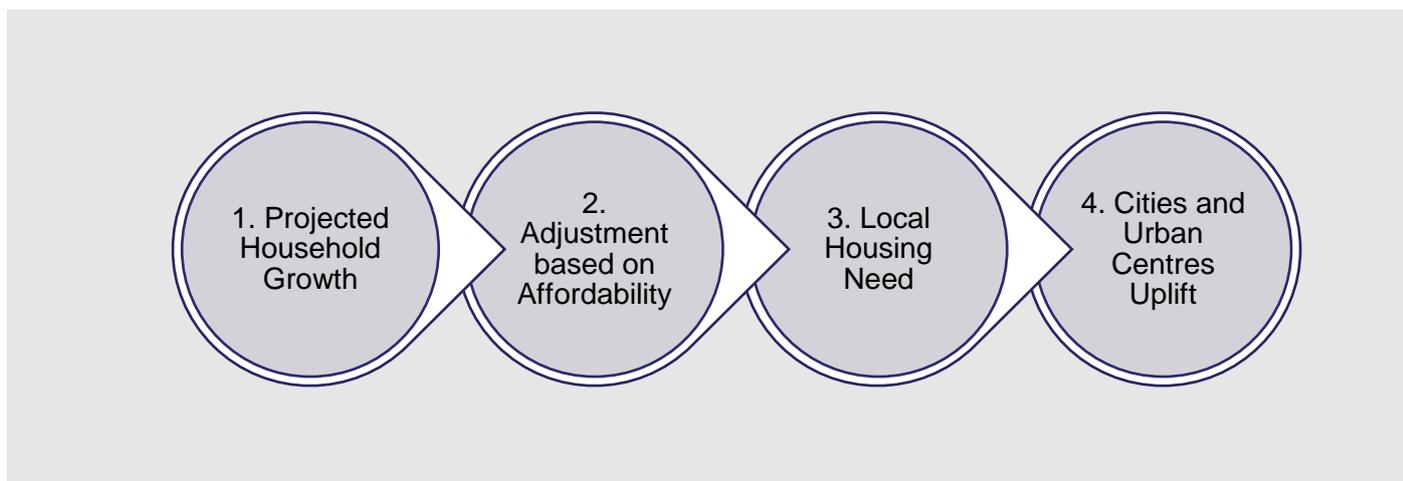
Standard Method for Calculating Local Housing Need

- 5.6 In 2018, the Government amended the NPPF and released new Planning Practice Guidance to introduce the 'standard method' for calculating Local Housing Need. This replaced the approach to defining Objectively Assessed Needs (OAN) set out in the 2014 Planning Practice Guidance..
- 5.7 The Government's intention in doing so was to introduce a standardised approach using consistent data sources for all local authorities nationally to calculate housing need. Its ambitions were to make the process of doing so simpler, quicker and more transparent, with the intention of speeding up plan-making.
- 5.8 The 2019 NPPF now sets out in Para 60 that to determine the minimum number of homes needed, *"strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach⁷ which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any need that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."*

The Current Standard Method

- 5.9 The standard method set out at the time of writing in the Planning Practice Guidance adopts a four-stage approach. The four-step process is set out in the Figure 5.1 below.

Figure 5.1 Overview of the Current Standard Method for Calculating Local Housing Need



- 5.10 Step One, in considering housing need against the standard method is to establish a demographic baseline. This baseline is drawn from the 2014-based Household Projections and should be the
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⁷ The glossary definition of Local Housing Need in the NPPF sets out that use of a justified alternative approach can only be taken forwards in the context of preparing strategic policies.

annual average household growth over a ten- year period, with the current year being the first year i.e. 2020 to 2030.

5.11 Step Two, is to consider the application of an affordability uplift to the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published ONS workplace-based median house price to median earnings ratio for the most recent year for which data is available. The latest (workplace-based) affordability data is currently for 2019 and was published by ONS in March 2020.

5.12 The PPG states that for each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a per cent, with the calculation being as follows:

$$\text{[Adjustment Factor = ((local affordability ratio - 4)/4) x 0.25]}$$

5.13 Step Three, is to consider whether a cap should be applied to the affordability adjustment to ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:

- The first is where an authority has reviewed its plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the Local Development Plan.
- The second situation affects plans and evidence that are more than five years old. In such circumstances, a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan, where this exists.

5.14 A final, step four, was introduced by the Government through an amendment to the standard method as set out in the PPG on 16th December 2020. This additional step applies only to Cities and urban centres which fall within the top 20 largest in England and it is therefore not relevant for the purpose of assessing housing need in Maldon. By way of context, the fourth step would see an uplift of the figure generated by steps 1 to 3 by 35%.

5.15 The Table below outlines the calculation of the minimum Local Housing Need using the methodology above, as set out currently in the PPG, drawing on the three relevant steps for Maldon District. A minimum LHN of 308 homes per annum is derived based on household growth of 207 per annum, taking from the 2014-based Household Projections, with an affordability uplift of 49% applied to this based on the 2019 affordability ratio.

Table 5.1 Minimum Local Housing Need using Standard Method, August 2020

Local Authority	Maldon
Setting the Baseline:	
Household Growth (p.a.) over next 10 years, 2020-30	207
Affordability Adjustment:	
Median workplace-based affordability ratio, 2019	11.87
Adjustment factor	49%
Step 2 housing need figure	308
Cap:	
Date of plan adoption	21.07.2017
Plan more than 5 years old	No
Housing requirement in last adopted plan	310
Cap @ 40% above Step 2 LHN	431
Cap @ 40% above Last Adopted Plan	434
Step 2 LHN above Cap	431
Minimum Local Housing Need (p.a.)	308

- 5.16 Notably, the minimum local housing need generated by the current LHN methodology is in line with the annualised housing requirement in the adopted Local Plan.
- 5.17 Over the 2014-20 period, total net completions of 1,750 homes have been delivered in the District, equivalent to an average of 292 homes per annum. The residual Local Plan housing requirement is therefore to deliver 2,900 homes over the remainder of the plan period to 2029, which is equivalent to 322 homes per annum.
- 5.18 The minimum LHN calculated using the standard method, which the PPG sets out takes account of historical delivery through the affordability adjustment, therefore represents a lower level of housing need than the residual requirement to deliver the planned growth in the adopted Local Development Plan.

Wider Considerations in Assessing Housing Need

- 5.19 The PPG sets out that the standard method does not predict the impact that future Government policies, changing economic circumstances or other factors may have. The PPG⁸ states that there will be circumstances where it is appropriate to consider whether actual housing need is higher than

⁸ Paragraph: 010 Reference ID: 2a-010-20190220

the standard method indicates. It outlines the circumstances where this may be appropriate, which include:

- Where funding is in place to promote and facilitate additional growth (i.e. Housing Deals, City Growth Deals, etc.); or
- Where strategic infrastructure improvements are likely to drive an increase in the homes needed locally; or
- An authority agreeing to take on unmet need from neighbouring authorities, as set out in a Statement of Common Ground.

5.20 The PPG⁹ also requires consideration to be given to the inter-relationship with the assessed need for affordable housing. It sets out that:

“The total affordable housing need [once assessed] can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”

Growth Funding and Strategic Infrastructure

5.21 At the time of writing, there is no funding in place to promote and facilitate additional growth in Maldon District. In terms of strategic infrastructure improvements, the north of the District includes the A12 corridor and Homes England are currently progressing a road widening scheme as a Nationally Significant Infrastructure Project (“NSIP”).

5.22 An application for the A12 Chelmsford to A120 Widening Scheme NSIP is expected to be submitted to the Planning Inspectorate in Q2 of 2022. Highways England are clear that the works are proposed to ease congestion and deal with increasing traffic demands and support planned economic and housing growth in Essex and the surrounding region.

5.23 In other words, the objective of the NSIP is to support levels of housing and economic growth already identified in Local Plans across the region and manage the cumulative impacts of this planned growth

⁹ Paragraph: 024 Reference ID: 2a-024-20190220

on the highway network. As a result, there is no indication that the improvements are likely to drive an increase in homes needed locally.

Affordable Housing Need

- 5.24 The affordable housing needs evidence which is considered in Section XX of this report points to a need for 174 rented affordable homes per year and 35 affordable home ownership homes per year, indicating a total affordable housing need for 209 affordable homes per year. A significant proportion of this need is existing households who are resident in Maldon but need or aspire to live in a different tenure.
- 5.25 The adopted Maldon Local Development Plan under Policy H1 sets out an affordable housing requirement of 40% at the South Maldon Garden Suburb; the strategic allocations at Maldon, Heybridge and Burnham-on-Crouch; the North Heybridge Garden Suburb (except at North of Heybridge – S2(d)) and in the sub-areas of Northern Rural, Maldon Central and Rural South. Elsewhere, a 30% requirement applies for Maldon North and Rural South East Higher with a 25% requirement in Rural South East Lower.
- 5.26 Affordable housing delivery since the beginning of the plan period in 2014 to 2020 has averaged out at 19% of all completions. If this was maintained, total housing provision of around 1,075 homes a year would be required to meet the affordable housing need in full. If 40% affordable housing delivery was achieved, total housing provision of 523 homes per year would be needed.
- 5.27 The affordable housing need provides some basis therefore for considering whether higher housing provision should be sought, particularly relative to the current standard method derived local housing need of 308 homes per annum. However, the scale of housing provision notionally required to meet the affordable housing need in full is unlikely to be achieved.
- 5.28 It is inappropriate to use a mechanical relationship to consider how affordable housing provision and overall housing need relate to one another. The affordable housing need is a point-in-time assessment based on current housing costs relative to earnings and takes account of current supply. The reality is that many households with an affordable housing need, including those who aspire to own a home, are existing households living in the private rented sector.
- 5.29 By providing an alternative home for these households, existing homes would be released. It is thus only concealed and homeless households who would generate a net additional need for additional homes, and the numbers of such households (equal to 252 households) in quantitative terms are captured within the affordability adjustment in the standard method which raises the local housing need by 1,515 households over a 15 year period.

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- 5.30 Furthermore, the intention behind the affordability uplift in the standard method is to improve the affordability of market housing over time. This envisages reducing the cost of market housing relative to earnings, and in doing so would reduce the affordable housing need.

Overall Housing Need: Summary

In line with the standard method for calculating housing need as set out currently in the PPG, a minimum local housing need of 308 homes per annum is identified for Maldon District.

This is derived based on household growth of 207 per annum, taking from the 2014-based Household Projections and applying an affordability uplift of 49% applied to this based on the 2019 affordability ratio.

There are no circumstances in Maldon District relating to growth funding, strategic infrastructure improvements or affordable housing need which indicate that 'actual' housing need is higher than the standard method indicates.

6. DEMOGRAPHIC DYNAMICS

- 6.1 This section considers demographic dynamics including demographic trends and the demographic implications of planning for the local housing need of 308 homes per annum as identified through the standard method as well as the latest demographic data.
- 6.2 This section also examines whether the data inputs to the local housing need identified through the standard method – the household projections and affordability ratio - are robust and if any adjustments to the standard method are appropriate to reflect economic growth and migration in either an upward or downward direction.

Demographic Trends

- 6.3 The analysis below looks at some key statistics about demographic trends in Maldon; particularly focussing on past population growth and the reasons for changes (components of change). This information is provided to help give some context for analysis to follow

Current Population and Age Structure, 2019

- 6.4 The table below shows the population profile of Maldon in five-year age bands compared with a range of other areas. The data shows an older age structure when compared with other areas (County, region and nationally). The District sees a high proportion of people in all age groups from 45 upwards. The data also shows a low proportion of people in their late teens and early 20s – this will, at least, in part be as a result of people moving from the area for the purposes of further education (e.g. to go to University).

Table 6.1 Population Profile, 2019

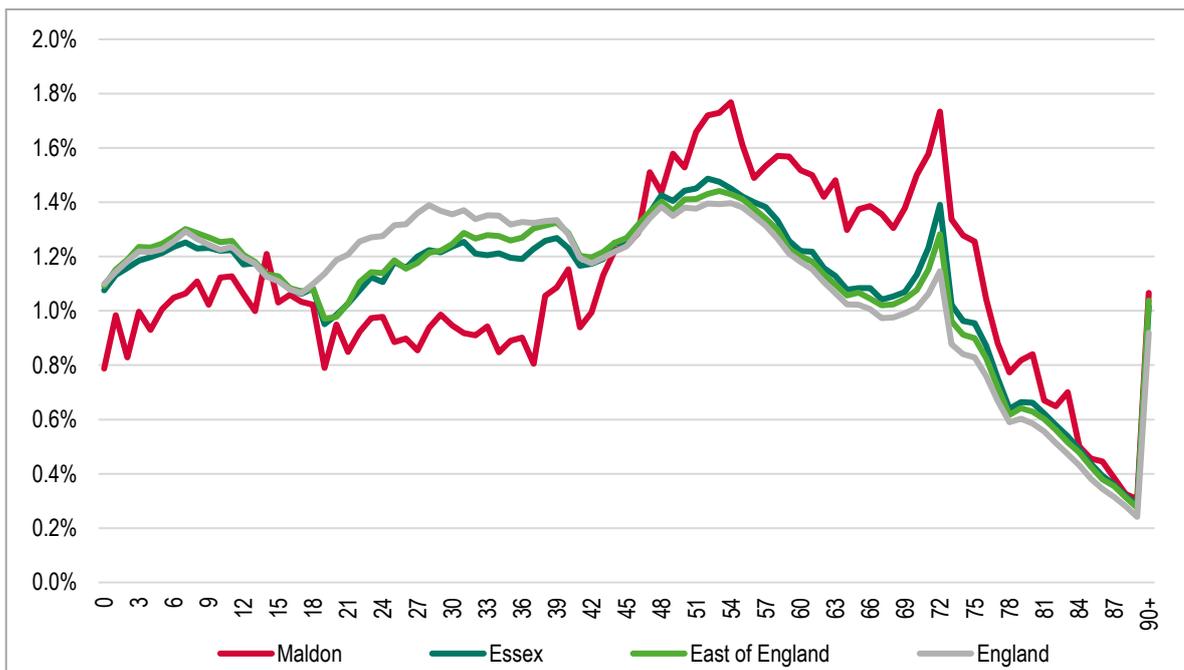
	Maldon		Essex	East of England	England
Under 5	2,939	4.5%	5.7%	5.9%	5.9%
5-9	3,409	5.3%	6.2%	6.4%	6.3%
10-14	3,584	5.5%	5.9%	6.0%	6.0%
15-19	3,205	4.9%	5.3%	5.3%	5.5%
20-24	3,034	4.7%	5.3%	5.4%	6.2%
25-29	2,962	4.6%	6.0%	6.0%	6.8%
30-34	2,963	4.6%	6.1%	6.4%	6.8%
35-39	3,076	4.7%	6.1%	6.5%	6.6%
40-44	3,533	5.4%	6.0%	6.2%	6.1%
45-49	4,580	7.1%	6.7%	6.7%	6.6%
50-54	5,457	8.4%	7.3%	7.1%	6.9%

55-59	5,046	7.8%	6.8%	6.7%	6.5%
60-64	4,686	7.2%	5.8%	5.7%	5.5%
65-69	4,415	6.8%	5.3%	5.2%	5.0%
70-74	4,823	7.4%	5.7%	5.4%	4.9%
75-79	3,095	4.8%	3.9%	3.7%	3.4%
80-84	2,182	3.4%	2.9%	2.8%	2.6%
85+	1,937	3.0%	2.8%	2.8%	2.5%
Total	64,926	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

6.5 The differences between Maldon District and other areas can more clearly be seen in the figure below. This identifies that the population of the District is relatively high in age bands from about 45 upwards when compared with other areas. The Figure also shows the impact of the student population.

Figure 6.1: Population Profile, 2019



Source: ONS Mid-Year Population Estimates

6.6 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis shows that, compared with other areas, Maldon has a higher proportion of people aged 65 and over (25%) and a lower proportion of children. The proportion of people of 'working-age' is also slightly lower than seen in other areas.

Table 6.2 Population Profile, 2019 – Summary Age Bands

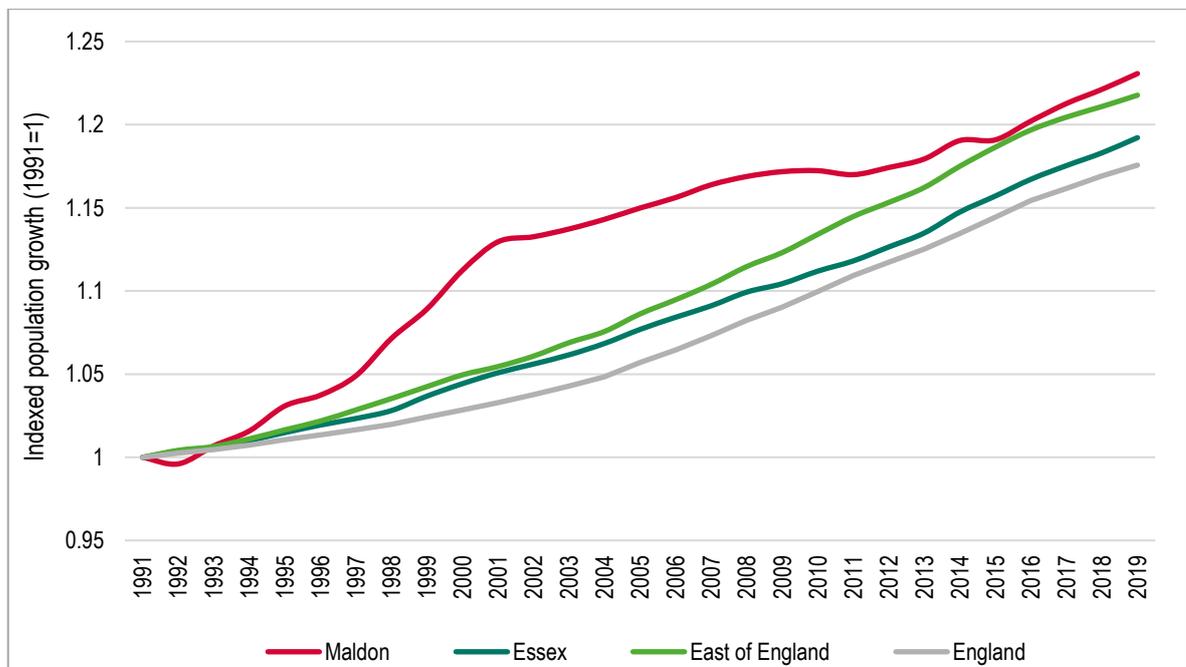
	Maldon		Essex	East of England	England
Under 16	10,601	16.3%	19.0%	19.4%	19.2%
16-64	37,873	58.3%	60.4%	60.7%	62.4%
65 and Over	16,452	25.3%	20.7%	19.9%	18.4%
Total	64,926	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

Past Population Growth

- 6.7 The figure below considers population growth in the period from 1991 to 2019. The analysis shows over this period that the population of Maldon has risen strongly in comparison with other locations. In 2019, it was estimated that the population of the District had risen by 23% from 1991 levels, this is in contrast with an 19% increase across the County, a 22% rise across the region and an 18% increase nationally.
- 6.8 The District saw particularly strong population growth in the period to 2001, with more modest growth thereafter. Indeed, in the period from 2001 to 2019, population growth has been lower than seen in other areas – over this period the population of Maldon increased by 9%, compared with 13% across the County, 15% regionally and a 14% increase nationally.

Figure 6.2: Indexed Population Growth, 1991-2019



Source: ONS Mid-Year Population Estimates

Components of Population Change

- 6.9 The Table and Figure below consider the drivers of population change 2001 to 2019. The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.
- 6.10 The data shows a varying level of natural change throughout the period, starting with positive figures in early years (i.e. more births than deaths) but being negative for the last eight years for which there is data. Generally, natural change is a relatively small component of all population change in any given year.
- 6.11 Given levels of natural change, it can be seen that population growth is largely driven by net in-migration, and in particular internal (domestic) migration. For all years apart from 2010/11, the District has seen net in-migration from the rest of the UK. For the last four years the data shows a particularly large level of net internal in-migration (of about 560 people per annum). Over the last five years, net internal migration has averaged 470 people per annum.
- 6.12 International migration is also a positive component of population growth, with a net gain of people moving to the District from abroad in all years since 2007. Over the past five years international migration has averaged 80 people per annum (net).
- 6.13 The data also shows a negative level of UPC, suggesting that between 2001 and 2011, ONS may have overestimated population growth within population estimates (and this was corrected once Census data had been published). If this overestimation of population growth is a systematic problem with ONS data, then it could be the case that population estimates to 2019 are also over-estimated although it should be clarified that levels of UPC are relatively modest.

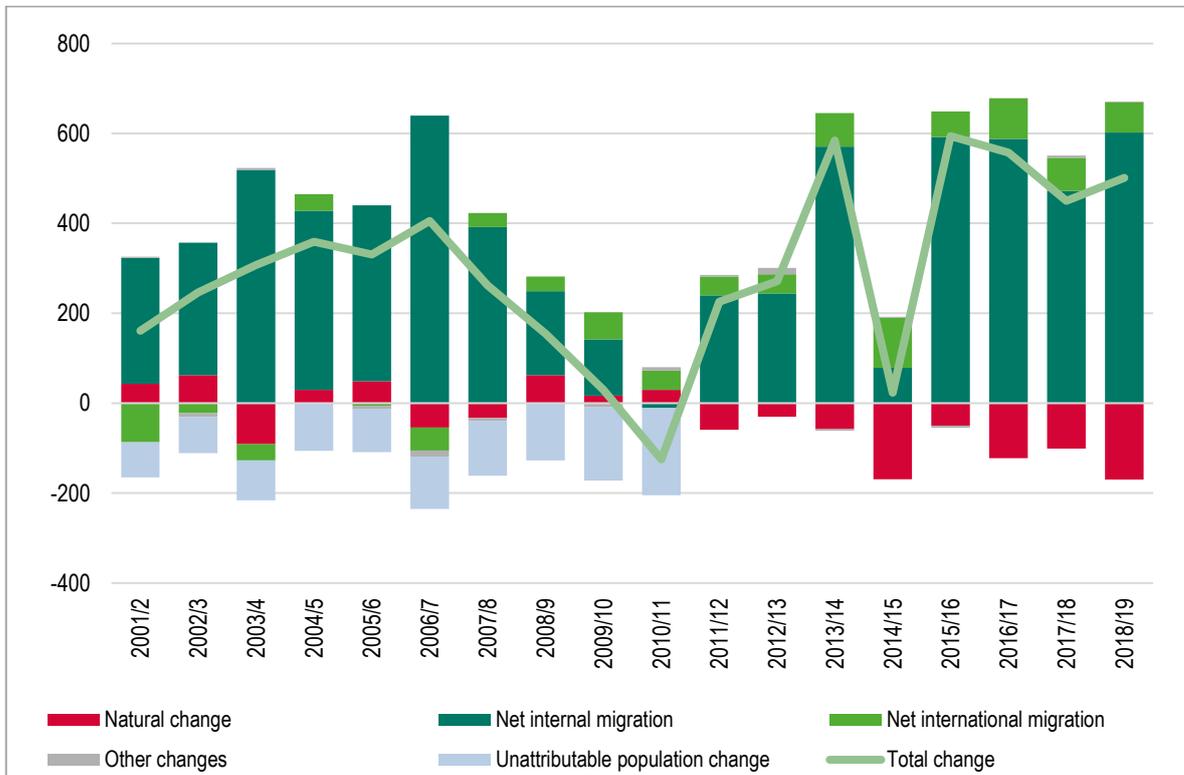
Table 6.3 Components of Population Change, 2001 to 2019

	Natural Change	Net Internal Migration	Net International Migration	Other Changes	Other Unattributable	Total Change
2001/02	43	280	-87	3	-78	161
2002/03	62	295	-22	-9	-80	246
2003/04	-91	519	-36	4	-89	307
2004/05	30	398	37	-1	-105	359
2005/06	49	391	-6	-6	-97	331
2006/07	-54	640	-51	-14	-116	405
2007/08	-33	392	31	-6	-122	262
2008/09	62	187	33	0	-127	155

2009/10	17	125	60	-8	-164	30
2010/11	30	-11	42	8	-194	-125
2011/12	-59	240	42	3	0	226
2012/13	-30	244	43	14	0	271
2013/14	-58	571	74	-3	0	584
2014/15	-169	79	111	2	0	23
2015/16	-50	592	57	-5	0	594
2016/17	-122	588	90	1	0	557
2017/18	-101	472	74	5	0	450
2018/19	-170	602	67	2	0	501

Source: ONS

Figure 6.3: Components of Population Change, 2001 to 2019



2018-based Subnational Population Projections

- 6.14 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2018-based national population projections.

6.15 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filter down from changes made at a national level. The key differences are:

- ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
- Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.

6.16 As well as providing a principal projection, ONS has developed a number of variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:

- Principal projection
- An alternative internal migration variant
- A 10-year migration variant

6.17 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of the 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.

6.18 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.

6.19 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade, 2008-18. This time period is used for both internal and international migration.

6.20 The table below shows the outputs from each of these three variant scenarios along with comparisons from the 2016- and 2014-based SNPP. This shows that the 2018-based principal

projection shows projected population growth of 11.4%, with the alternative internal migration scenario being lower than this (10.2%) – both of these are higher than the 10-year trend variant.

- 6.21 Population growth in both the 2016- and 2014-based projections sit within the range shown from the 2018-based figures. It should be noted that the 2014-based data only goes up to 2039 and so an estimate for 2040 has been provided based on adding a further year of population growth (estimated to be the same as in the 2038-39 period). The comparison with the 2014-based SNPP is particularly important as it underpins the 2014-based SNHP which is used in the standard method)

Table 6.4 Projected Population Growth, 2020-40 – Range of SNPP Releases

	Population 2020	Population 2040	Change	% Change
2018, Principal	65,305	72,756	7,451	11.4%
2018, Alternative Internal	65,160	71,833	6,673	10.2%
2018, 10-year trend	64,948	69,709	4,761	7.3%
2016-based	64,594	70,940	6,346	9.8%
2014-based	64,402	71,042	6,640	10.3%

Source: ONS

- 6.22 Although this project is not particularly tasked with challenging the Standard Method, it is worth briefly reviewing the evidence to see if there is anything in the demographic data that would potentially point to the need to move away from the standard method. In looking at the latest SNPP it is arguable that the standard method is a bit low (given that the principal projection is higher than the 2014-based version). However, given that internal migration is only based on two years' of data there are question marks about the robustness of this projection.
- 6.23 The alternative internal variant (which uses broadly the same methodology as previous SNPP releases) shows a very similar level of population growth, and although not modelled here, the level of population growth being similar to that in the 2014-based SNHP would potentially lead to a similar level of household growth (which in turn would lead to a similar need if a consistent affordability adjustment were applied).
- 6.24 Additionally, data from the Patient Register would suggest that past population growth in the District may have been over-estimated; if this is the case then one knock-on effect could be to inflate future projections. Overall, on balance, it is not considered that there is any firm evidence one way or the other to suggest that the Council could or should move away from the Standard Method for providing an indication of the Local Housing Need.
- 6.25 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case it is considered that the alternative internal migration variant is likely to be the most robust in a local context. This has been chosen as

it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes seen in Maldon (such as an uplift in housing completions).

6.26 With the overall change in the population will also come changes to the age profile. The table below summarises findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2040 it is projected that there will be 23,300 people aged 65 and over. This is an increase of 6,600 from 2020, representing growth of 40%.

6.27 The population aged 85 and over is projected to increase by an even greater proportion, 105%. Looking at the other end of the age spectrum the data shows that there is projected to be a modest increase in the number of children (those aged Under 15), with increases shown for most younger adult age groups and declines in older adults (aged 45-59).

Table 6.5 Population Change, 2020-40 – 2018-based SNPP – Alternative Migration

	Population 2020	Population 2040	Change	% Change
Under 5	3,002	3,272	270	9.0%
5-9	3,428	3,447	18	0.5%
10-14	3,486	3,564	78	2.2%
15-19	3,234	3,391	157	4.8%
20-24	2,877	2,828	-50	-1.7%
25-29	3,031	3,184	153	5.0%
30-34	3,078	3,169	91	3.0%
35-39	3,054	3,165	110	3.6%
40-44	3,519	3,767	249	7.1%
45-49	4,424	4,338	-86	-1.9%
50-54	5,320	4,719	-601	-11.3%
55-59	5,167	4,777	-390	-7.5%
60-64	4,831	4,870	39	0.8%
65-69	4,340	5,273	933	21.5%
70-74	4,831	5,558	727	15.1%
75-79	3,296	4,836	1,539	46.7%
80-84	2,274	3,640	1,365	60.0%
85+	1,967	4,037	2,070	105.3%
Total	65,160	71,833	6,673	10.2%

Source: ONS

6.28 The analysis below summarises the above information by assigning population to three broad age groups which can generally be described as a) children, b) working-age and c) pensionable age. It should be noted that although the working-age population is banded as those aged 16 to 64, this is

changing as a result of the Pensions Act 2014 and in reality, the working age will change over time and the economically active population will grow. Importantly, this analysis emphasises the projected increase on the population aged 65 and over, of the total projected population increase of 6,700 people, around 99% is projected to be in the 65+ age group.

Table 6.6 Population Change, 2020-40 – 2018-based SNPP – Alternative Migration

	Population 2020	Population 2040	Change	% Change
Under 16	10,696	11,010	314	2.9%
16-64	37,756	37,480	-276	-0.7%
65 and Over	16,709	23,343	6,635	39.7%
Total	65,160	71,833	6,673	10.2%

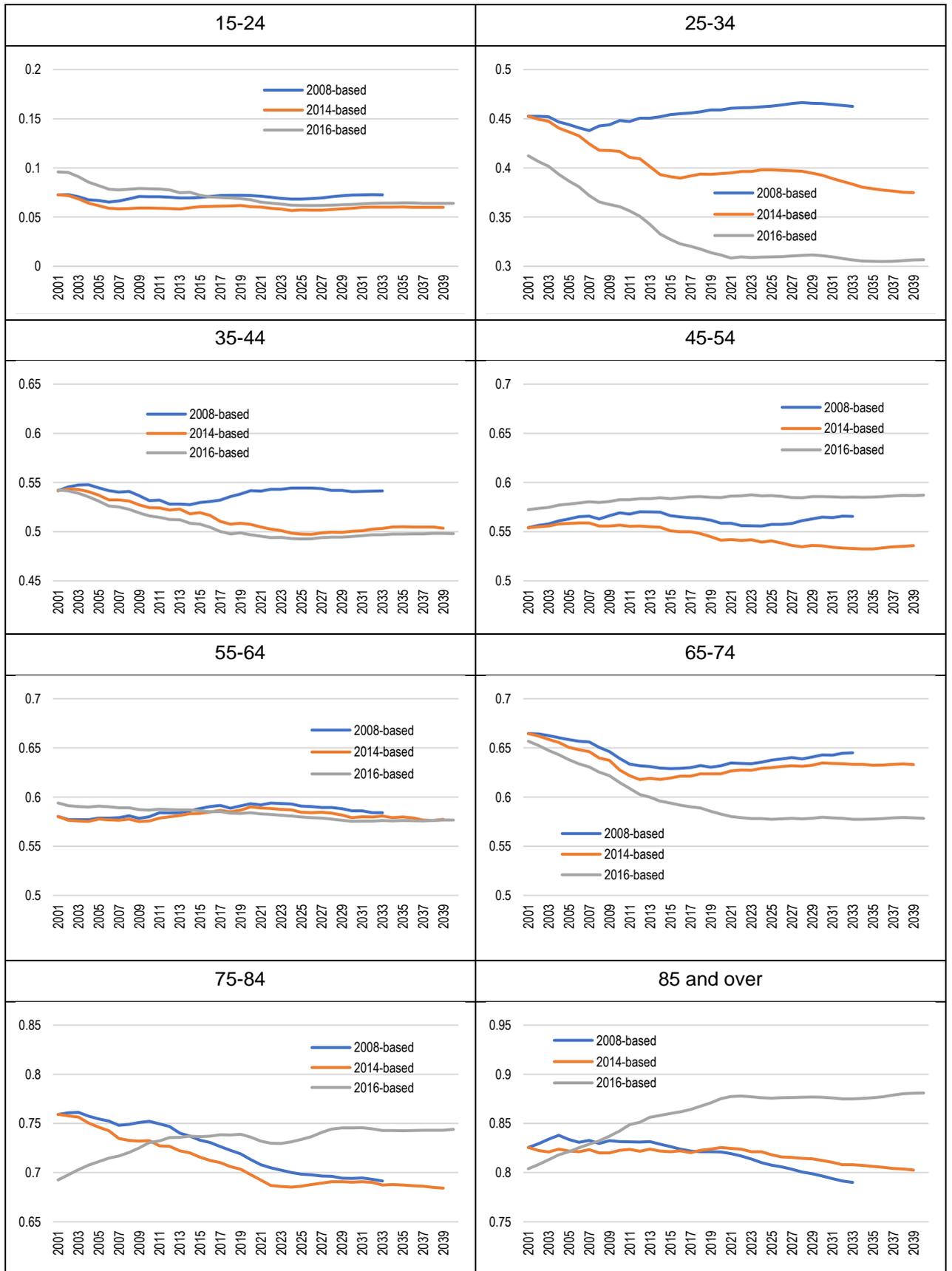
- 6.29 As noted previously, the Government decided to amend the Standard Method so that the most recent (2016-based at the time of writing) SNHP are disregarded in favour of using the 2014-based version as a starting point. There is some good logic for this as the 2016-based projections do seem to potentially be building in additional suppression of household formation – which is discussed below; however, it is considered that the 2018-based SNPP (i.e. the population data) should not be so readily disregarded – this is particularly because of the changes made to fertility and mortality rates which reflect recently observed trends.
- 6.30 Therefore, in moving the analysis forward, it is suggested that the most suitable approach is to maintain the 2018-based SNPP as a baseline projection (the alternative internal migration assumptions) and amend migration estimates so that the level of need matches that previously suggested (for 308 homes per annum across the District area). Further adjustments are made to household formation to ensure a consistent projection with the housing need.

Household Representative Rates (i.e. Household Formation)

- 6.31 Having studied the population size, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (“HRR”) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (“HRP”)).
- 6.32 The latest HRRs are as contained in the ONS 2016-based subnational household projections (“SNHP”) – these were published in September 2018. It would be fair to say that the 2016-based SNHP have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period which would suggest that it builds in the suppression of household formation

-
- experienced in that time. The previous (2014-based) projections used a longer time-series (all Census points back to 1971) and therefore do cover a wider housing market cycle.
- 6.33 Because of the criticisms of the 2016-based SNHP, and the fact that these have driven the Government decision to not use the 2016 based figures in the Standard Method (which is directly linked to official household projections) it is considered prudent in this report to look at both the 2016- and 2014-based figures.
- 6.34 The figure below compares HRRs in the 2014- and 2016-based SNHP – the figures are essentially the proportion of a particular age group that is considered to be the ‘head of household’ (HRP as described above).
- 6.35 Overall, the analysis would suggest that the 2016-based figures may be building in more suppression than the 2014-based figures – this can be seen by the 2016-based figures (for younger age groups and notably those aged 25-34) typically having lower HRRs than is seen in other projection releases.
- 6.36 Looking at some of the older age groups, it can be seen that the 2016-based SNHP are projecting for there to be some increases in HRRs (particularly the 85 and over group). Whilst an increase is possible (and does appear to be the trend) it is thought that overall HRRs for older groups are actually more likely to fall over time.
- 6.37 This is due to slightly improving mortality rates and therefore the likelihood that households will remain as couples for longer. The 2014-based figures do show a decrease in the HRRs for older age groups and are arguably therefore more realistic.
- 6.38 Overall, the 2016-based figures appear to potentially be building in more suppression than the 2014-based data, and it is considered when looking more widely across all age groups that the 2014-based data may be more realistic. The 2014-based data has therefore been taken forward into the modelling, using this data does also have the advantage of being able to be used to develop alternative scenarios – these are discussed later.
- 6.39 The figure below also shows the same information from the 2008-based SNHP. Generally, for younger age groups these older projections show a more positive level of household formation and whilst they are quite dated, they are a source that is regularly used to develop scenarios with a more positive view about household formation of younger people.

Figure 6.4: Projected Household Representative Rates by Age of Head of Household



6.40 As well as looking at the 2014-based SNHP, a sensitivity test has been developed to look at an alternative approach to HRRs. In this sensitivity, a 'part-return-to-trend' analysis has been developed, where the rate of household formation sits somewhere between figures in the 2014-based projections and those in an older 2008-based version. This approach was widely used prior to the 2016-based SNHP being published and was an approach previously suggested by the Local Plans Expert Group (LPEG). Therefore, three HRR scenarios have been used as described below:

- Linking directly to 2016-based SNHP – 2016-SNHP HRRs;
- Linking directly to 2014-based SNHP – 2014-SNHP HRRs; and
- Linking to the 2014-based SNHP but with a part-return to previous trends for the 25-34 and 35-44 age groups – 2014-PRT

6.41 To be clear, in looking at these three scenarios it is considered that the 2016-SNHP are not a robust set of rates to use – this conclusion is reached partly on the basis of potential suppressed formation in younger age groups and also consideration of the projected rates in older age groups.

6.42 It is also noted that these figures have been rejected by MHCLG as part of the Standard Method; they are however the most recently published data. The 2014-SNHP data are considered to be reasonably robust but may include some small degree of suppression of household formation in younger age groups.

6.43 The part-return to trend ("2014-PRT") is also considered to be a reasonably robust set of figures, in particular where housing delivery is expected to be above trend-based growth and therefore some increase in the formation rates of younger households might be expected. The 2014-PRT scenario draws on the more reliable data from the 2014-based projections as well as including some adjustment for potential suppression of younger households forming.

Household Growth

6.44 The table below shows estimates of household growth within each of the three HRR scenarios, the table also shows an estimate of the number of additional dwellings this might equate to. All of the figures link to population growth in the 2018-based SNPP (alternative internal migration variant).

6.45 To convert households into dwellings the analysis includes an uplift to take account of vacant homes. For the purposes of analysis, it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes - which is taken as a proxy for households - and hence household growth figures are uplifted by 3% to provide an estimate of housing need.

- 6.46 This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.
- 6.47 The analysis below shows the housing need outputs when linked to the 2018-based SNPP (alternative internal migration scenario for illustrative purposes). This shows an overall housing need for 207 homes per annum across the District when using the 2016-based SNHP as the underlying household projection. This figure decreases to 179 homes per annum with the 2014 SNHP but increases from this figure to 197 homes per annum using a part-return to trend methodology.

Table 6.7 Projected Housing Need – Range of HRR Assumptions – 2018-based SNPP

	Households 2020	Households 2040	Change	Annual Change	Homes
2016-SNHP HRRs	27,744	31,766	4,021	201	207
2014-SNHP HRRs	28,019	31,486	3,467	173	179
Part-return to trend	28,019	31,836	3,817	191	197

- 6.48 Given the criticisms that have been made of the 2016-based SNHP it is considered that drawing conclusions about the level of housing need linked to official population projections are more robustly based on looking at the previous set of SNHP.
- 6.49 These earlier projections looked at longer term trends in household formation and are therefore less likely to build in any of the suppression/constraints faced by households since the early 1990s. However, including a further adjustment to take a more positive view about household formation is considered prudent and therefore it is concluded that the most robust approach to household representative rates is a scenario using 2014-based figures with a part-return to 2008-based figures.

Demographic Trends and Projections: Summary

Over the past five or more years, assessing the level of housing need has been for individual local authorities (or groups of local authorities) to prepare by following advice in Planning Practice Guidance (PPG). However, the new National Planning Policy Framework (NPPF) of February 2019 has introduced a standard method, based on looking at projected household growth and adjustments based on the level of affordability in an area.

The methodology links to 2014-based subnational household projections (SNHP); this suggests household growth of about 207 per annum, plus an uplift of around 49% to address affordability. At present, the local housing need for the District as a whole is for 308 homes per annum.

A review of recent demographic data, including up-to-date projections and a range of data about past trends does not suggest that there is a strong demographic case for the Council to move away from the standard method figure (in either an upward or downward direction).

Although a figure for local housing need is essentially given to the Council, it is of use to understand some of the demographic trends underpinning future population and household growth and a range of analysis has been undertaken.

ONS population data shows that the population of the District has been increasing over time, increasing by 22% from 1991 to 2018; this level of growth is higher than seen across other areas, including nationally (17%) although growth in the more recent past (since 2001) has been more modest. Population growth is mainly driven by net in-migration, both from other parts of the United Kingdom and abroad; recent years have shown lower levels of natural change (births minus deaths).

The latest (2018-based) subnational population projections (SNPP) project that the population of the District will increase by about 6,700 people (10%) in the period from 2020 to 2040 – population growth is expected to be focussed in older age groups (the population aged 65 and over). These figures are based on the alternative internal migration variant which is considered to be the most robust in a local context.

In converting population growth into household growth (and hence housing need) data from the 2008-, 2014- and 2016-based SNHP has been utilised. The older (2014-based) data has been accessed as there are some doubts about the robustness of 2016-based figures; these latest figures are based on short-term trends and it can be argued that they build in a degree of suppression/constraint in the formation of younger households.

Focussing only on the 2014-based SNHP with an adjustment for suppressed household formation (using 2008-based data), it is estimated that the housing need in Maldon would be for around 197 homes per annum.

On this basis, it is clear that if 308 dwellings per annum are provided moving forward from 2020, then some increase in net in-migration could be expected. A scenario has been modelled where population growth is sufficient to fill 308 additional homes, this sees an additional 12,300 people in the District (2020-40) – a 5,600 increase in the level of population growth shown by the official projections (the SNPP).

7. THE LINK BETWEEN HOUSING AND ECONOMIC GROWTH

7.1 This section considers the relationship between housing growth and economic growth to determine whether or not there is a requirement to increase local housing need over and above that identified through the standard method.

The Link between Housing and Economic Growth

7.2 The PPG on Housing and Economic Development Needs Assessments¹⁰ makes clear that the standard method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. As a result, it is relevant to have regard to changing economic circumstances in Maldon District and specifically the findings of the Maldon Economy Study (January 2021) prepared by Hatch.

7.3 As a starting point, we have sought to consider the level of jobs supported by planning for local housing need derived from the standard method. In order to do so, a series of stages are undertaken. These stages can be summarised as:

- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply)
- Overlay information about commuting patterns, double jobbing (i.e., the fact that some people have more than one job) and potential changes to unemployment; and
- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

7.4 This section deals with each of these stages in turn below.

Growth in Resident Labour Supply

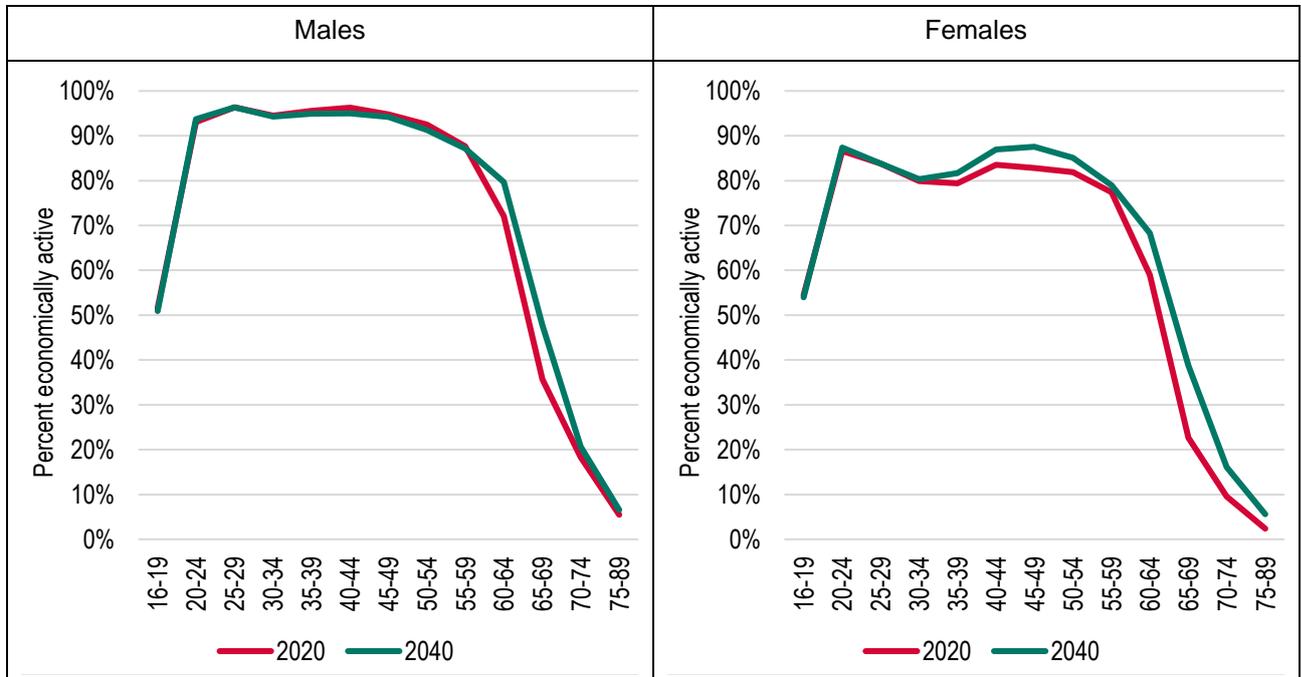
7.5 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report).

7.6 The figure and table below show the assumptions made. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable

¹⁰ Paragraph: 010 Reference ID: 2a-010-20190220

degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision)

Figure 7.1: Projected Changes to Economic Activity Rates, 2020-40, Maldon



Source: Based on OBR and 2011 Census data

Table 7.1 Projected Changes to Economic Activity Rates, 2020-40

	Males			Females		
	2020	2040	Change	2020	2040	Change
16-19	51.5%	50.9%	-0.6%	54.5%	54.0%	-0.5%
20-24	93.1%	93.7%	0.7%	86.6%	87.4%	0.8%
25-29	96.4%	96.4%	0.0%	83.8%	83.8%	0.0%
30-34	94.5%	94.3%	-0.2%	79.9%	80.3%	0.4%
35-39	95.5%	94.9%	-0.6%	79.4%	81.7%	2.3%
40-44	96.3%	95.0%	-1.3%	83.5%	86.9%	3.4%
45-49	94.8%	94.2%	-0.6%	82.8%	87.6%	4.7%
50-54	92.5%	91.3%	-1.2%	81.9%	85.1%	3.2%
55-59	87.7%	87.2%	-0.5%	77.4%	79.0%	1.6%
60-64	72.0%	79.7%	7.6%	59.0%	68.3%	9.3%
65-69	35.6%	47.7%	12.1%	22.6%	38.8%	16.1%
70-74	18.3%	20.7%	2.4%	9.5%	16.1%	6.6%
75-89	5.5%	6.6%	1.1%	2.4%	5.6%	3.2%

Source: Based on OBR and 2011 Census data

7.7 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the District – this is set out in the table below. The analysis shows that there would be a notable increase in the economically active population for both of the demographic scenarios; linking to the standard method (308 homes per annum) the analysis shows a potential increase of 5,200 economically active residents (a 16% increase over 20-years).

Table 7.2 Estimated Change to the Economically Active Population, 2020-40

	Econ Active 2020	Econ Active 2040	Change
2018-based SNPP	3,027	3,728	701
Standard Method	3,447	3,868	421

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

7.8 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

7.9 The Table below shows summary data about commuting to and from Maldon District from the 2011 Census. Overall, the data shows that the District sees a notable level of out-commuting for work with the number of people resident in the area who are working being about 31% higher than the total number who work in the area.

7.10 This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

Table 7.3 Estimated Change to the Economically Active Population, 2020-40

	People
Live and work in Local Authority (LA)	9,379
Home workers	4,201
No fixed workplace	3,181
In-commute	6,532
Out-commute	13,782
Total working in LA	23,293
Total living in LA (and working)	30,543
Commuting Ratio	1.311

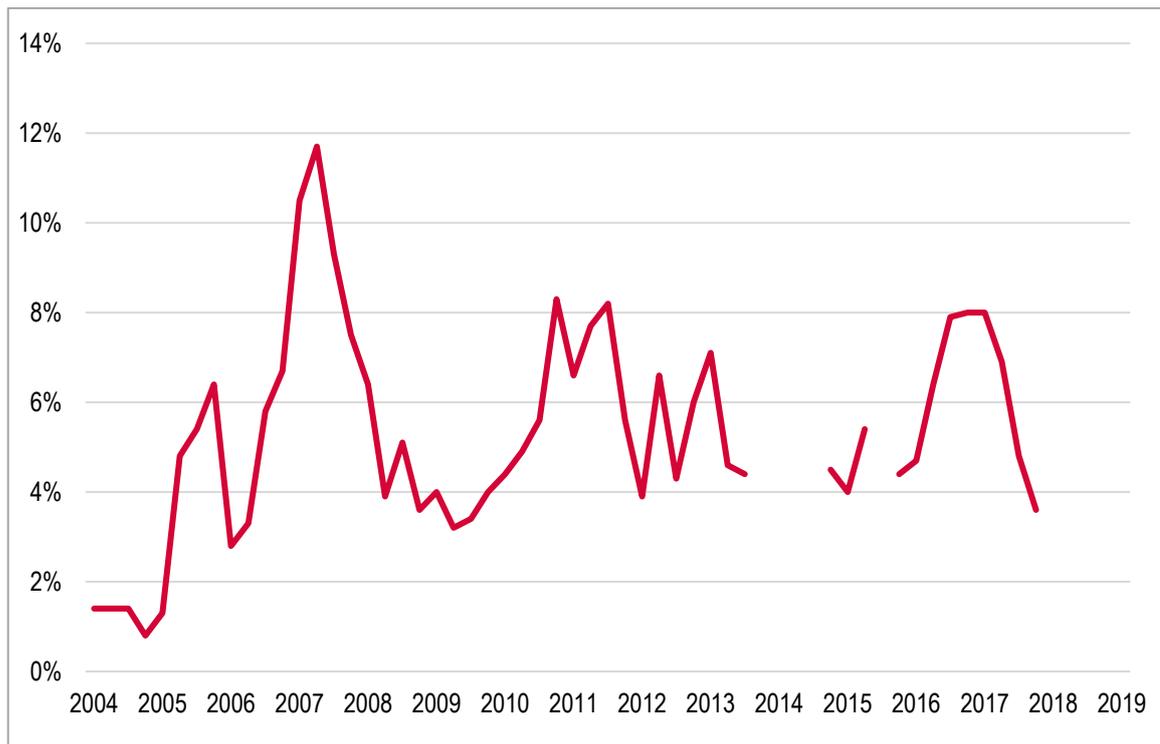
Source: 2011 Census

- 7.11 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census. It is arguable that some changes to the commuting ratio could be modelled although keeping the ratio constant is considered to be a reasonably balanced approach to use but it does mean that estimates of potential job growth should be treated with some degree of caution.

Double Jobbing

- 7.12 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests across the District that typically between about 5.3% of workers have a second job – levels of double jobbing have been variable over time (mainly due to the accuracy of data at a local level).

Figure 7.2: Percentage of All People in Employment with a Second Job, 2004-19



Source: Annual Population Survey, NOMIS

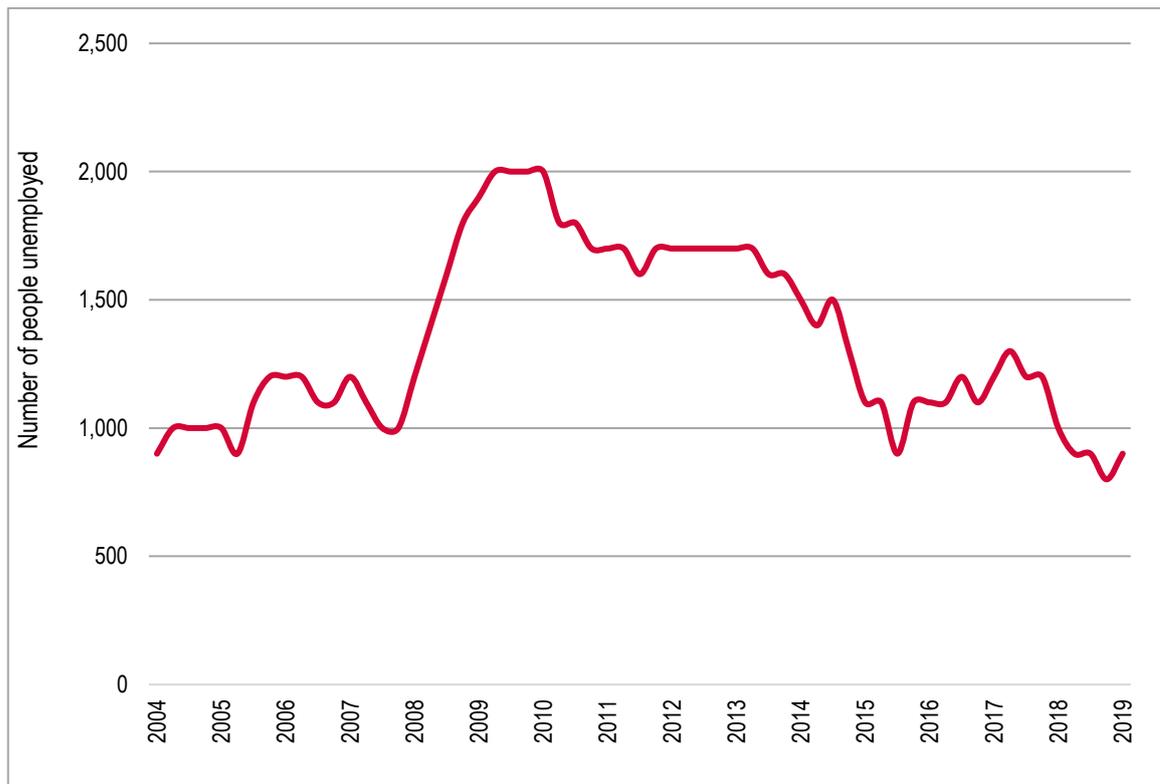
7.13 For the purposes of this assessment it has been assumed that around 5.3% of people will have more than one job moving forward. A double jobbing figure of 5.3% gives rise to a ratio of 0.947 (i.e. the number of jobs supported by the workforce will be around 5.3% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time, although the apparent upward trend should be noted.

Unemployment

7.14 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. The figure below shows the number of people who are unemployed and how this has changed back to 2004.

7.15 The analysis shows a clear increase in unemployment until about 2009 and that since 2013, the number of people unemployed has dropped notably – by 2019, the number of unemployed people was back close to the level observed in 2004. This would indicate that there may be limited scope for further improvements and for the purposes of analysis in this report it has been assumed that there are no changes to the number of people who are unemployed moving forward from 2020 to 2040.

Figure 7.3: Number of People Unemployed, 2004-19



Source: Annual Population Survey (modelled unemployment data)

Jobs Supported by Growth in the Resident Labour Force

7.16 The table below shows how many additional jobs might be supported by population growth under each of the demographic scenarios. For both of the scenarios the number of jobs supported would be positive. Looking at linking to a local housing need of 308 homes per annum, it is concluded that around 4,200 additional jobs could be supported.

Table 7.4 Jobs Supported by Demographic Projections 2020-40

	Total Change in Econ Active	Allowance for Net Out-Commuting	Jobs Supported
2018-based SNPP	2,116	1,613	1,704
Standard method	5,211	3,974	4,197

Source: Derived from a range of sources described

7.17 Attempts to link housing delivery with estimates of the number of jobs supported should be treated with some caution, not least because there are a number of assumptions made which do have alternatives (e.g. the choice of economic activity rate data and possible changes to commuting dynamics).

-
- 7.18 Additionally, it should be noted that the standard method projection is partly arrived at by improving household formation, alternatively it could be assumed that additional housing delivery will drive a higher level of in-migration; this in turn would see estimates of labour-supply growth increase.
- 7.19 The overall conclusion from this analysis should be that the projected levels of population growth would support a notable increase in jobs equal to around 4,200 jobs over the period to 2040.
- 7.20 The analysis is essentially a ‘business as usual’ scenario (particularly with regard to holding commuting patterns constant at 2011 levels) and does not take account of any significant changes that might happen in the future. Invariably, in the context of Covid-19 and its impact on commuting patterns moving forward, the ‘business as usual’ scenario is likely to change, and it is therefore important that this is kept under review once the impact of Covid-19 is better understood.

Economic-Led Scenarios for Housing Need

- 7.21 The Maldon Economy Study (January 2021) prepared by Hatch sets out to identify the potential for economic growth opportunities within the Maldon District economy for the period up to 2040 – including direct and indirect opportunities arising from the proposed development of Bradwell B nuclear power station (“BRB”).
- 7.22 The Economy Study defines a number of scenarios for economic growth over the period from 2019 to 2040 with these scenarios forming the basis for consideration of whether or not employment growth is likely to result in a need to plan for a higher level of housing need.
- 7.23 As part of this, the Economy Study considers a range of factors including the current strengths and weaknesses of Maldon District’s economy as well changes – positive and negative – that the District has experienced with forecasting based in part on the strongest and fastest growing sectors. The Study also undertakes an assessment of future growth drivers and constraints for different sectors and takes account of the known interventions and strategic economic priorities.
- 7.24 As a starting point in order to estimate Maldon District’s employment growth potential, a base case forecast was obtained from Cambridge Econometrics (“CE”) in the summer of 2020. The Economy Study sets out that this forecast takes account of CE’s expectations about the implications of the UK’s exit from the EU – prior to the UK deal with the EU being finalised – and the initial impacts of the Covid-19 lockdown in March 2020.
- 7.25 Building on this initial base case, the Economy Study presents two employment scenarios over the period from 2019-40 – both of which have two variants and therefore form their own scenarios in order to reflect uncertainty about the scale of potential growth in the District’s large construction sector.

7.26 All four scenarios which includes the base case scenario and growth opportunities scenario with additional scenarios to reflect respective construction sector adjustments are shown in the Table below. As is clear, they range from total employment growth of 1,800 jobs (equal to an increase of 0.3% p.a.) in what is termed scenario 1b to 4,200 jobs (0.68% p.a.) in what is termed scenario 2b.

Table 7.5 Jobs Growth in Maldon Economy Study, 2019-40

Scenario	Jobs Growth	Growth Rate (p.a)
Base Case (1a)	2,735	0.45%
Base Case + Construction Adjusted (1b)	1,800	0.30%
Growth Opportunities (2a)	4,200	0.68%
Growth Opportunities, Construction Sector Adjusted (2b)	3,275	0.54%

Source: Maldon Economy Study, 2021

7.27 The Economy Study sets out that reservations were identified with the scale of growth forecast for the construction sector. In both scenario 1a and scenario 2a, the construction sector is forecast to grow by 1,560 jobs; however, the Study states that it is not clear whether this exceptional level of growth is realistic over the 2019-40 period. As a result, scenarios 1b and 2b are considered to be the more appropriate scenarios for Maldon District to consider as it takes forward the evidence.

7.28 Our analysis in Table 8.4 of this report has shown that the level of jobs growth supported by the standard method (i.e. equal to 4,197 jobs over the period to 2040) would capture all scenarios set out in the Economy Study including the highest growth scenario – scenario 2a – which is not considered to be appropriate by Hatch in any event.

7.29 In conclusion, the standard method would support sufficient labour supply growth for any of the economic scenarios set out by the Maldon Economy Study.

Housing and Economic Growth: Summary

Our analysis shows an estimate of the number of jobs that would be supported by projected population growth. Incorporating a number of assumptions around economic participation, commuting, double jobbing and unemployment, it is concluded that housing delivery in-line with the standard method would be likely to support around 4,200 additional jobs (2020-40).

Set against all four economic growth scenarios set out in the Maldon Economy Study, the standard method would support sufficient labour supply growth and there is therefore no economic-led requirement to increase local housing need over and above the standard method.

8. AFFORDABLE HOUSING NEED

8.1 This section provides an assessment of the need for affordable housing in Maldon and the eighteen sub-areas. The analysis follows the PPG (Sections 2a-018 to 2a-024) to provide an assessment of the annual need for affordable housing. The section provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products.

8.2 The analysis also briefly considers First Homes as the Government has committed to this becoming a new tenure. Further information about First Homes was set out in the Government's White Paper consultation document 'Changes to the Current Planning System' in August 2020 and more detail will be set out in updated PPG in due course

Methodology Overview

8.3 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). This methodology considers the following:

- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of data modelled from local information – this figure is then annualised so as to meet the current need over a period of time;
- **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
- **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
- **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

8.4 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

8.5 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent

homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

- 8.6 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. Such households are now considered to have an affordable housing need. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.
- 8.7 This expanded definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 10-15 years. PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 8.8 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and Economic Needs Assessment – see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 8.9 Additionally, information drawn from local surveys previously undertaken by Justin Gardner Consulting across the country have been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g. tenancies ending) although again such rates are applied to local information about the size of the sector.
- 8.10 This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations over the past five or more years. Our analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).
- 8.11 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 8.12 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 8.13 The analysis below considers the entry-level costs of housing to both buy and rent across the Council area. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.
- 8.14 Data from the Land Registry for the year to March 2020 (i.e. Q2-Q4 of 2019 and Q1 of 2020) shows estimated lower quartile property prices in the District by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £145,000 for a second-hand flat and rising to £333,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of £250,000 (existing dwellings).
- 8.15 The analysis is also split between newly-built and existing dwellings which shows higher prices for new homes. For the purposes of analysis in this section, the main focus is on the pricing of existing homes within the District.

Table 8.1 Lower quartile cost of housing to buy – year to March 2020

	Existing dwellings	Newly-built dwellings	All dwellings
Flat/maisonette	£145,000	-	£145,000
Terraced	£229,000	-	£229,000
Semi-detached	£260,000	£290,000	£270,000
Detached	£333,000	£386,000	£341,000
All dwellings	£250,000	£301,000	£261,000

Source: Land Registry

- 8.16 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). To some extent the prices should be seen as indicative, in particular the supply of 1-bedroom homes to buy was quite small.

Table 8.2 Lower Quartile House Prices by Size – existing dwellings, year to March 2020

	Lower quartile price
1-bedroom	£133,000
2-bedrooms	£209,000
3-bedrooms	£275,000
4-bedrooms	£365,000
All Dwellings	£250,000

Source: Land Registry and Internet Price Search

- 8.17 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to March 2020. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £700 per month.

Table 8.3 Lower Quartile Market Rents, year to March 2020

	Lower Quartile rent, pcm
Room only	-
Studio	£500
1-bedroom	£575
2-bedrooms	£750
3-bedrooms	£950
4-bedrooms	£1,150
All properties	£700

Source: ONS

- 8.18 The rental figures above have been taken from ONS data; however, it is also of interest for this study to see how these vary by location. The table below provides an overview of entry-level rents in Maldon set against other authority areas. This shows that rents in Maldon are somewhat above the regional average and lower than areas closer to London such as in Chelmsford and Rochford.

Table 8.4 Lower Quartile Market Rents (PCM), year to March 2020

	Maldon	Colchester	Brain-tree	Chelmsford	Rochford	Essex	East region	England
Room only	-	£380	£450	£420	-	£385	£350	£351
Studio	£500	£470	£425	£525	£450	£475	£450	£433
1-bedroom	£575	£550	£560	£695	£600	£600	£540	£490
2-bedrooms	£750	£695	£725	£810	£825	£750	£650	£550
3-bedrooms	£950	£850	£875	£1,050	£1,100	£900	£750	£625
4-bedrooms	£1,150	£1,150	£1,200	£1,350	£1,400	£1,225	£1,050	£950
All properties	£700	£675	£695	£795	£800	£725	£650	£550

Source: ONS

- 8.19 In addition, the table below shows an estimate of the overall lower quartile private rent in each of the sub-areas. This is based on analysis of Rightmove data on available lettings which has then been adjusted to be consistent with the data from ONS (excluding room only rents).
- 8.20 In some areas there was no evidence of any significant supply from the Rightmove source and so the estimates have been supplemented by analysis of the relative cost of housing (looking at purchases prices) and also an understanding of the profile of stock in the private rented sector (drawn from Census data). The overall lower quartile purchase price has also been shown (drawn directly from the Land Registry source).
- 8.21 The analysis shows some variation in prices and rents, although it should be confirmed that in smaller areas a best estimate has been provided. Overall, the analysis suggests a range of lower quartile prices from £236,000 in Southminster-Burnham-on-Crouch, up to £281,000 in Rural South. The lowest rents were estimated to be in Maldon Town and the highest in Rural East.
- 8.22 To some extent the overall averages are influenced by the mix of housing in each area, and this should be borne in mind when interpreting the figures (for example, private rented homes in Rural East tended to be larger homes). Additionally, it should be noted that whilst there are variations across areas, the differences are not as stark as is observed in other local authorities where similar analysis has been carried out.

Table 8.5 Lower Quartile Prices and Market Rents, by sub-area

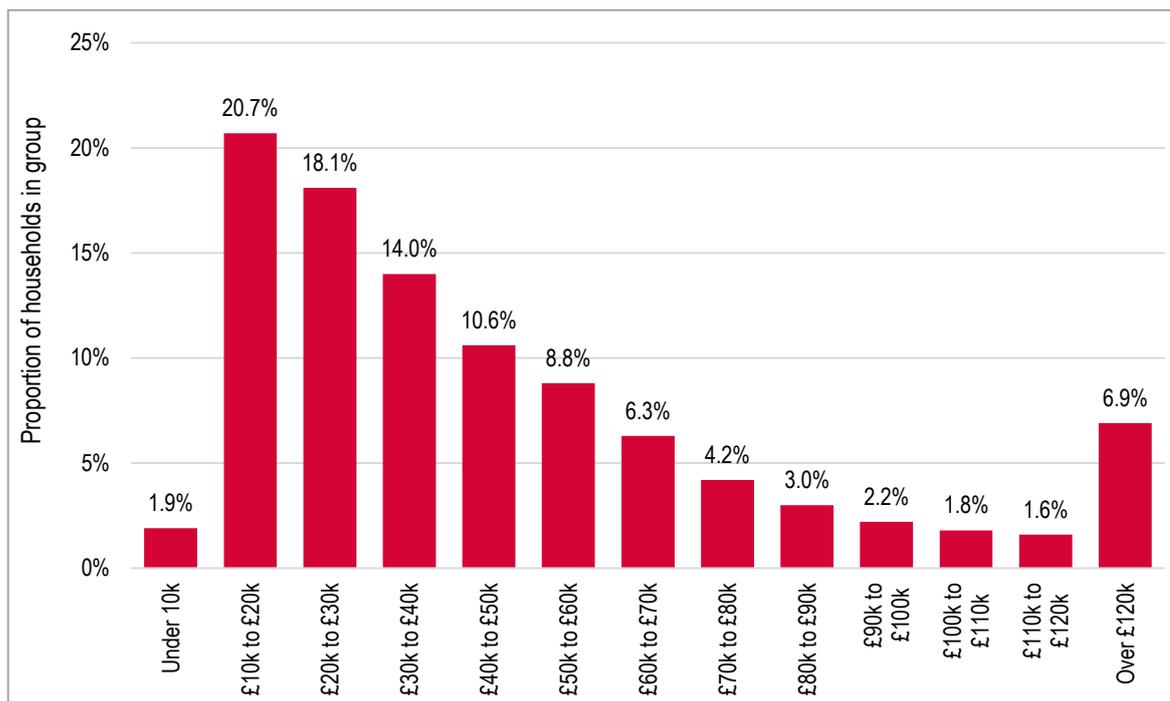
	Lower Quartile Price	Lower Quartile Rent, pcm
Heybridge & Langford	£246,000	£685
Maldon	£243,000	£660
Rural East	£259,000	£805
Rural North	£274,000	£790
Rural South	£281,000	£780
Southminster-BoC	£236,000	£665
All dwellings	£250,000	£700

Source: Internet private rental cost search and Land Registry

Household Incomes

- 8.23 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (“EHS”) being used to provide information about the distribution of incomes.
- 8.24 Drawing all of this data together an income distribution for the whole Council area has been constructed for 2019. The figure below shows that around a quarter of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £48,000, with a median income of £36,400; the lower quartile income of all households is estimated to be £21,100.

Figure 8.1: Distribution of household income, 2019



Source: Derived from a range of data as discussed

8.25 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each area. There are some differences between areas with the highest incomes being seen in Rural North and the lowest in Maldon Town. Overall, variation in incomes between areas is not considered to be substantial.

Table 8.6 Estimated average (median) household income by sub-area (mid-2019 estimate)

	Median income	As a % of the Average
Heybridge & Langford	£37,600	103%
Maldon	£34,100	94%
Rural East	£36,600	100%
Rural North	£39,300	108%
Rural South	£38,800	107%
Southminster-BoC	£34,200	94%
District	£36,400	100%

Source: Derived from a range of data as discussed

Affordability Thresholds

8.26 To assess affordability two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying).

-
- 8.27 This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 8.28 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable starting point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 8.29 The threshold of income to be spent on housing should be set by asking the question ‘what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy?’ The choice of an appropriate threshold is therefore judgement based. The key consideration to understand is that local income levels are not setting the threshold but are simply being used to assess how many can or can’t afford market housing. It is important to consider what residual income is left, after households have paid for housing.
- 8.30 At £700 per calendar month, lower quartile rent levels in Maldon District are relatively high in comparison to those seen nationally (lower quartile rent of £550 for England in the year to March 2020). This would suggest that a proportion of income to be spent on housing could be above the bottom end of the range (the range being from 25% to 40%).
- 8.31 Across England the lowest lower quartile rents are around £400 per month (areas with rents at or below this level include Hull and Burnley and there were a total of 12 local authorities with lower quartile rents not exceeding £400 per month). If these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to Maldon District, the gross household income required to afford a £700 PCM lower quartile rent would be £1,900 and so the percentage spent on housing would be 37%.
- 8.32 However, it needs to be considered that the cost of living in different areas will vary, and it is likely that areas where rents are higher will also generally have higher living costs. Therefore, a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (37% if looking at Maldon District). In this example a threshold of 31% would therefore be considered as reasonable.

- 8.33 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 8.34 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 8.35 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices, although it is recognised that there will be differences on a case by case basis.
- 8.36 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a ‘gap’ in all areas, suggesting the potential for there to be a number of households able to rent a home but not buy.

Table 8.7 Estimated Household Income Required to Buy and Privately Rent by sub-area

	To buy	To rent (privately)	Income gap
Heybridge & Langford	£49,200	£26,800	£22,400
Maldon Town	£48,600	£26,200	£22,400
Rural East	£51,800	£29,700	£22,100
Rural North	£54,800	£29,300	£25,500
Rural South	£56,200	£29,100	£27,100
Southminster-BoC	£47,200	£26,300	£20,900
District	£50,000	£27,200	£22,800

Source: Based on Housing Market Cost Analysis, YEAR

Need for Social/Affordable Rented Housing

- 8.37 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in each sub-area. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

- 8.38 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below

sets out the categories in the PPG and the sources of data been used to establish numbers. The PPG also includes a category where households cannot afford to own despite it bring their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Table 8.8 Main Sources for Assessing the Current Unmet Need for Affordable Housing

	Source	Notes
Homeless households (those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households ¹¹	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

8.39 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

8.40 The table below shows the initial estimate of the number of households within the study area with a current housing need. These figures are before any ‘affordability test’ has been applied to assess the ability of households to meet their own housing needs; and has been termed ‘the number of households in unsuitable housing’. Overall, the analysis estimates that there are currently around 1,300 households living in unsuitable housing (or without housing).

¹¹ • A concealed household is a household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing

Table 8.9 Estimated Number of Households Living in Unsuitable Housing

	Homeless/ Concealed Households	Households in Overcrowded Housing	Existing Affordable Tenants in Need	Households from Other Tenures in Need	Total
Heybridge & Langford	19	76	9	64	169
Maldon	43	167	21	125	356
Rural East	36	26	3	35	99
Rural North	40	65	8	91	205
Rural South	70	71	6	82	229
Southminster-BoC	43	103	14	113	273
District	252	509	61	509	1,330

Source: Range of Sources set out in Table 7.7

- 8.41 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account.
- 8.42 Once these households are removed from the analysis, the remainder are taken forward for affordability testing. The table below shows it is estimated that there were 700 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 8.10 Unsuitable Housing by Tenure and Number to Take Forward into Modelling

	In Unsuitable Housing	No to Take Forward for Affordability Testing
Owner-Occupied	468	47
Affordable Housing	208	0
Private rented	402	402
No housing (homeless/concealed)	252	252
Total	1,330	700

Source: Range of Sources

- 8.43 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces

the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.

- 8.44 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation).
- 8.45 The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys across the country by JGC. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).
- 8.46 Overall, just over half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is from 389 households in the study area. The table below also shows how this is estimated to vary by sub-area.

Table 8.11 Unsuitable Housing by Tenure and Number to Take Forward into Modelling

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Heybridge & Langford	74	49.1%	37
Maldon Town	190	51.3%	98
Rural East	64	65.3%	42
Rural North	99	56.4%	56
Rural South	131	61.2%	80
Southminster BoC	142	54.3%	77
District	700	55.5%	389

Source: Range of Sources

- 8.47 The estimated figure shown above at 389 represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time.
- 8.48 An alternative source for looking at the current need can be the Housing Register. However, in many areas the register is not a good reflection of need, particularly where the local allocations policy may discourage some households from registering as they may have a need but would not be likely to be

housed/rehoused. Also, as allocations policies vary across areas, using the register can show a false degree of difference between locations (e.g. suggesting higher needs in areas where allocations policies are less strict).

8.49 That said, it is worth just noting the numbers on the Maldon register for context. As of April 2020, according to Local Authority Housing Statistics (“LAHS”), there were 853 households in the register, of which 173 were considered to be in a Reasonable Preference Category (i.e. this a relatively acute level of need). These two figures sit either side of the estimate from other sources and would suggest that the figures in this report are likely to be a reasonable reflection of current need.’

8.50 Given that this report typically looks at needs in the 2020-40 period, the need is annualised by dividing by 20 (to give an annual need for 19 dwellings across all areas). This does not mean that some households would be expected to wait 20-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly Forming Households

8.51 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

8.52 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

8.53 The number of newly forming households has been estimated through demographic modelling (linked to 2018-based SNPP and 2014-based SNHP). This is considered to provide the best view about trend-based household formation, but without building in any additional constraints to household formation.

8.54 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

8.55 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of all households average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.

8.56 The assessment suggests that overall, around a two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 173 newly forming households will have a need per annum on average. The table below provides a breakdown by sub-area.

Table 8.12 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households by Sub-Area (p.a.)

	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Heybridge & Langford	64	42.1%	27
Maldon	80	45.5%	36
Rural East	27	48.2%	13
Rural North	70	44.2%	31
Rural South	62	44.3%	28
Southminster-BoC	85	45.7%	39
District	388	44.7%	173

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

8.57 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.

8.58 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that 'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'.

8.59 Following the analysis through suggests a need arising from 35 existing households each year. The table below breaks this down by sub-area.

Table 8.13 Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need by Sub-Area (p.a.)

	Total Additional Need	% of Total
Heybridge & Langford	5	15.2%
Maldon	12	34.2%
Rural East	2	4.4%
Rural North	5	13.2%
Rural South	4	10.3%
Southminster-BoC	8	22.7%
District	35	100.0%

Source: Derived from a range of sources as described in text

Supply of Social/Affordable Rented Housing Through Relets

8.60 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.

8.61 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from CoRe and Local Authority Housing Statistics (LAHS) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

8.62 On the basis of past trend data is has been estimated that 54 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures.

8.63 The table below shows the estimated supply of affordable housing from re-lets in each sub-area. The sub-area figures have been based on consideration of the size of the stock in each sub-area, as of 2011 (Census data).

Table 8.14 Estimated Future Supply of Re-Lets, 2016/17 – 2018/19 (p.a.)

	Re-lets to New Tenants	% of Total
Heybridge & Langford	9	15.7%
Maldon Town	18	33.9%
Rural East	2	4.2%

Rural North	7	13.3%
Rural South	6	10.3%
Southminster-BoC	12	22.5%
District	54	100.0%

Source: CoRe/LAHS

8.64 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report.

8.65 Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

8.66 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 174 dwellings per annum to be provided with an affordable need being seen in all sub-areas within the District. The net need is calculated as follows:

Net Need = Current Need (allowance for) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 8.15 Estimated Need for Social/Affordable Rented Housing by Sub-Area (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Heybridge & Langford	2	27	5	34	9	26
Maldon Town	5	36	12	53	18	35
Rural East	2	13	2	17	2	14
Rural North	3	31	5	39	7	31
Rural South	4	28	4	35	6	30
Southminster-BoC	4	39	8	51	12	38
District	19	173	35	228	54	174

Source: Range of sources as discussed

8.67 Given the different sizes of sub-areas, it is also useful to look at a standardised measure. The table below does this by comparing the estimated annual level of affordable need with the population in 2018 (with figures expressed as a per 1,000 population figure). This shows the highest need to be in Rural East (standardised as 3.23 dwellings per 1,000 people), although the range in this rate between areas is not substantial.

Table 8.16 Annual need for Social/Affordable Rented Housing standardised by population in 2018 – Sub-Areas

	Net affordable need (per annum)	Population (2018)	Affordable need per 1,000 population
Heybridge & Langford	26	8,614	2.97
Maldon Town	35	14,592	2.38
Rural East	14	4,406	3.23
Rural North	31	12,293	2.55
Rural South	30	11,955	2.47
Southminster-BoC	38	12,565	3.06
District	174	64,425	2.70

Source: Range of sources as discussed

Split Between Social and Affordable Rented Housing

8.68 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.

8.69 An analysis has been undertaken to compare the income distribution of households with the cost of different products. Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are less than both lower quartile and median market rents.

Table 8.17 Comparison of Rent Levels for Different Products

	Social rent ¹² pcm	Affordable rent ¹³ (AR) pcm	Lower quartile (LQ) market rent pcm	Median market rent pcm	AR as % of LQ	AR as % of median
1-bedroom	£347	£482	£575	£650	84%	74%
2-bedrooms	£418	£578	£750	£825	77%	70%
3-bedrooms	£483	£679	£950	£995	71%	68%
4-bedrooms	£527	£859	£1,150	£1,300	75%	66%
All	£444	£578	£700	£850	83%	68%

Source: RSH and ONS

8.70 For the affordability test, the overall average rent for each product has been used and some caution should be noted as the different profile of tenures clearly has some impact on housing costs. The table below suggests that around 14% of households who cannot afford to rent privately could afford an affordable rent, with a further 20% being able to afford a social rent (but not an affordable one). A total of 65% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 8.18 Estimated need for affordable rented housing

	% of need for affordable rented
Afford affordable rent	14%
Afford social rent	20%
Need benefit support	65%
All unable to afford market	100%

Source: Affordability analysis

8.71 The finding that only 14% of households can afford affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate.

¹² Social rent is reflective of a tenure where rents are established through a formula outlined by Government which take account of local earnings.

¹³ Affordable rent is reflective of a tenure where rents are charged at up to 80% of market rents.

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- 8.72 Indeed, the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 8.73 There will be a series of other considerations both at a strategic level and for specific schemes which could influence the type of affordable housing provided. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. There may also be site-specific viability considerations or locational circumstances which influence the type and form of affordable housing.
- 8.74 Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.
- 8.75 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.

Establishing a Need for Affordable Home Ownership

- 8.76 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including 'households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home'. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 8.77 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

Gross Need for Affordable Home Ownership

- 8.78 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the study area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.

- 8.79 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 28% already have sufficient income to buy a lower quartile home, with 30% falling in the rent/buy 'gap'.
- 8.80 The final 43% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 8.81 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).
- 8.82 The table below shows an estimate of the proportion of households living in the private rented sector who are able to afford different housing products by sub-area. This shows a slightly higher proportion of households in the rent/buy gap in Rural South, with the lowest figure being seen in Rural East.

Table 8.19 Estimated Proportion of Households Living in PRS Able to Buy and/or Rent Market Housing

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Heybridge & Langford	31%	29%	40%
Maldon Town	27%	30%	43%
Rural East	27%	27%	46%
Rural North	28%	30%	42%
Rural South	26%	32%	42%
Southminster-BoC	28%	28%	43%
District	28%	30%	43%

Source: Range of sources as discussed

- 8.83 The finding that a significant proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to inability to obtain a deposit, to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more

flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

- 8.84 To study current need, an estimate of the number of households living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The starting point is the number of households living in private rented accommodation; as of the 2011 Census there were some 2,500 households living in the sector across the District. Data from the English Housing Survey (EHS) suggests that since 2011, the number of households in the PRS has risen by about 22% - if the same proportion is relevant to the District then the number of households in the sector would now be around 3,000.
- 8.85 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (1,800 households if applied to the study area) and of these some 25% (450 households) would expect this to happen in the next 2-years. The figure of 450 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 8.86 As noted above, on the basis of income it is estimated that around 30% of the private rented sector sit in the gap between renting and buying (depending on location). Applying this proportion to the 450 figure would suggest a current need for around 135 affordable home ownership units (7 per annum if annualised over a 20-year period).
- 8.87 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 136 dwellings (115 from newly forming households and 20 from existing households in the private rented sector).
- 8.88 Bringing together the above analysis suggests that there is a need for around 143 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum. This is before any assessment of the potential supply of housing is considered.

Table 8.20 Estimated Gross Need for Affordable Home Ownership by Sub-Area (p.a.)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Heybridge & Langford	1	19	3	22
Maldon	2	24	6	31
Rural East	0	7	1	9

Rural North	1	21	3	26
Rural South	1	20	3	24
Southminster-BoC	2	24	5	31
District	7	115	20	143

Source: Range of sources as discussed

Potential Supply of Housing to Meet the Affordable Home Ownership Need

- 8.89 As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated. The analysis below therefore provides a general discussion.
- 8.90 By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, there were a total of 846 resales (i.e. excluding newly-built homes) in the last year (year to March 2020) and therefore around 212 would be priced below the lower quartile. This is 212 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is well in excess of the level of need calculated.
- 8.91 However, it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers).
- 8.92 In the absence of any guidance about how to deal with the supply of affordable home ownership, a broad further assumption has been used that around half of the lower quartile homes would be available to meet the needs of households with an income in the gap between buying and renting – this amounts to around 106 dwellings per annum.
- 8.93 In addition, data from CoRe about resales of affordable housing (likely to mainly be shared ownership) shows an average of around 1 resale per annum (based on data for the 2015-18 period). These properties would also potentially be available for these households and can be included within the potential supply. Therefore, a total supply of 107 dwellings per annum is estimated.
- 8.94 The table below therefore brings together an estimate of the need for affordable home ownership, across the study area. This shows a need for 35 affordable home ownership products per annum across the study area. This figure is somewhat lower than the estimated need for rented affordable homes (174 per annum).

Table 8.21 Estimated Need for Affordable Home Ownership by Sub-Area (p.a.)

	Total Gross Need	Resale Supply (half of LQ)	LCHO supply	Total supply	Net Need
Heybridge & Langford	22	16	0	16	6
Maldon	31	25	0	25	6
Rural East	9	7	0	7	2
Rural North	26	19	0	19	7
Rural South	24	14	0	14	10
Southminster-BoC	31	25	0	25	5
District	143	106	1	107	35

Source: Range of sources as discussed

Implications of the Analysis

- 8.95 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the NPPF definition of affordable home ownership (AHO). However, it does need to be noted that the estimated need for rented affordable products is about five times higher than the estimated need for AHO.
- 8.96 It does seem that there are many households in Maldon who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 42% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped notably (by 11%). That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 8.97 On this basis, and as previously noted, it seems likely in Maldon that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than just income levels being due to the cost of housing to buy.
- 8.98 Hence, whilst the NPPF gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership, it is not clear that this is the best solution in the study area given the high need for rented affordable housing. The NPPF does provide some examples of where the 10% might not be required (paragraph 64), most notably that the 10% would be expected unless this would 'significantly prejudice the ability to meet the identified affordable housing needs of specific groups'. In Maldon, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.

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- 8.99 Given the analysis above, it would be reasonable to conclude, on the basis of the evidence, that in general terms there may not be the need to provide the full 10% of housing under the definition of 'affordable home ownership'. Indeed, if the Council were seeking to meet the most acute need then the AHO figure could arguably be 0%, particularly in the context of greater need for rented affordable.
- 8.100 Whilst there are clearly many households in the gap between renting and buying, they in some cases they will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low -cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households in this respect.
- 8.101 The evidence points to a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). Notably, social rents also enable access to employment for lower income families.

How Much Should Affordable Home Ownership (AHO) Homes Cost?

- 8.102 The analysis and discussion above suggests that there are a number of households likely to fall under the new PPG definition of affordable housing need (i.e. in the gap between renting and buying) and given the NPPF, it seems likely that the Council may need to consider some additional homes on larger sites as some form of home ownership.
- 8.103 This report recommends shared ownership as the most appropriate form of affordable home ownership and also encourages consideration of other packages such as providing support for deposits. However, it is possible that some housing would come forward as other forms of housing such as Starter Homes or discounted market sale.
- 8.104 If this is the case, it will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group. The analysis below considers the potential costs (in a Maldon context) of Discounted Market Sales Housing and Shared Ownership – it is considered that these are the two products most likely to be offered or made available.

Discounted Market Sales Housing

- 8.105 On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV). The problem with having a percentage

discount is that it is possible in some locations or types of property that such a discount still means that housing is more expensive than that typically available in the open market.

8.106 The preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. These are based on current lower quartile prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in the District is £750 per month;
- On the basis of a household spending no more than 31% of their income on housing, a household would need an income of about £2,400 per month to afford ($750/0.31$) or £29,000 per annum (rounded);
- With an income of £29,000, it is estimated that a household could afford to buy a home for around £145,000. This is based on assuming a 10% deposit and a four and a half times mortgage multiple – calculated as $29,000 \times 4.5/0.9$;
- The lower quartile price to buy a 2-bedroom home is estimated to be £209,000 and the midpoint of the two figures (£145,000 and £209,000) is £177,000;
- £177,000 is a suggested purchase price to make discounted home ownership affordable for around half of the group of households in the rent/buy gap;
- To estimate what level of discount this might represent, it has been assumed that the Open Market Value (OMV) of a home would be 15% above the overall lower quartile price (this being a typical national newbuild 'premium');

8.107 In this instance the price of £177,000 would be around 74% of an estimated newbuild OMV (£240,000, calculated as $£209,000 \times 1.15$) and therefore a 26% discount would be appropriate.

8.108 Therefore, it is suggested that for a 2-bedroom affordable home ownership property to be affordable to households able to rent but not buy it should be priced at £177,000 (rounded to nearest thousand). This sale price will meet the needs of around half of households in the gap between buying and renting. Setting higher prices would mean that such housing would not be available to many households for whom the Government is seeking to provide an 'affordable' option.

8.109 The table below therefore sets out a suggested purchase price for affordable home ownership in the District for different sizes. As well as confirming the estimate that 2-bedroom homes would need to be provided at around a 26% discount, the table shows a similar discount being required to make a

3-bedroom home affordable. It should be noted that these calculations are based on a specific set of data for prices and rents. Any individual scheme proposing discounted market housing would need to be tested to ensure that it is reasonably affordable in a local context.

Table 8.22 Affordable Home Ownership Prices, year to March 2020

	Affordable Price	Estimated newbuild OMV	Discount required
1 Bedroom	£122,000	£153,000	20%
2-bedrooms	£177,000	£240,000	26%
3-bedrooms	£230,000	£316,000	27%
4+-bedrooms	£294,000	£420,000	30%

Source: Derived from a range of sources as described

Shared Ownership

- 8.110 For shared ownership, a buyer will buy a share in a property (typically between 25% and 75%) and then pay rent on the remaining share. One advantage in affordability terms is that a lower deposit is likely to be required than for full or discounted purchase, whilst the rental part of the cost will typically be subsidised by a Registered Provider. For shared ownership to be affordable, it is considered that total outgoings should not exceed that needed to rent privately.
- 8.111 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property. The key assumptions used in the analysis are:
- 8.112 OMV at LQ price plus 15% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level)
- 10% deposit on the equity share
 - Rent at 2.75% pa on unsold equity
 - Repayment mortgage over 25-years at 4%
 - Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes)

- It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

8.113 The table below shows that to make shared ownership affordable, equity shares of about 17-33% could work depending on dwelling size. Again, it should be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV).

8.114 In reality costs do vary across the District and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable. Overall, the analysis points to equity shares of around 25% being likely to be of the right order.

Table 8.23 Estimated Affordable Equity Share by Size

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
OMV	£152,950	£240,350	£316,250	£419,750
Share	33%	17%	29%	18%
Equity Bought	£50,474	£40,379	£91,713	£76,395
Mortgage Needed	£45,426	£36,341	£82,541	£68,755
Monthly Cost of Mortgage	£240	£192	£436	£363
Retained Equity	£102,477	£199,971	£224,538	£343,356
Monthly Rent on Retained Equity	£235	£458	£515	£787
Service Charge per month	£100	£100	£0	£0
Total Cost per month	£575	£750	£950	£1,150

Source: Data based on Housing Market Cost Analysis

First Homes

8.115 The analysis above is based on the Framework and related PPG (notably in relation to the definition of affordable housing). The Government has committed to a change in national policy such that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes.

8.116 The Government will move to publish new PPG on First Homes; however, it has been set out that for the remaining 75% of affordable housing, new national policy will:

- The provision for Social Rent as already described in the development plan should be protected.
- Where other affordable housing units can be secured, these tenure-types should be secured in the relative proportions set out in the development plan.

-
- In situations where the local plan allocates more than 75% of contributions to Social Rent, the 25% First Homes requirement will remain.

8.117 The requirement for First Homes will replace the minimum 10% figure in the Framework (10% of all housing on larger sites). The Government has made clear that the minimum discount for First Homes should be 30% from market price with local authorities having discretion to increase the discount to 40% or 50%.

8.118 Although this report has not analysed First Homes in any detail, it is considered that the analysis of the need for affordable home ownership would broadly demonstrate the need for this type of accommodation. As noted above, there are clearly households who would have a need for First Homes, but there will also be some supply of cheaper (second-hand) market homes that will be available.

8.119 Overall, it is considered that a figure of 25% of affordable delivery may be appropriate for Maldon – although given evidence of the need for affordable home ownership products the Council would be justified to seek a lower proportion (or even none) of this tenure. A 30% discount on open market values is also likely to be justified for First Homes, and requiring higher discounts should be considered carefully given the potential for this to inhibit scheme viability and therefore reduce delivery of other forms of affordable housing.

8.120 Given that the total affordable housing need is not likely to be met in full, it is considered that the remaining 75% of affordable housing (were the Council to choose this figure) should prioritise delivery of social or affordable rented housing as this will meet the needs of those with few other alternative housing options, unless there is an existing over-concentration of rented affordable housing in the relevant neighbourhood and therefore a mixed and balanced communities case for an alternative affordable housing mix.

8.121 Where grant is available or schemes are brought forwards by registered providers, the Council should encourage delivery of a proportion of housing at social rent levels and/or shared ownership housing.

Affordable Housing Need: Summary

Analysis has been undertaken to estimate the need for affordable housing in the 2020-40 period (on an annual basis). The analysis is split between a need for social/affordable rented accommodation and is based on households unable to buy or rent in the market and the need for affordable home ownership – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For affordable home ownership, consideration is given to the potential supply (from Land Registry data) of cheaper accommodation to buy.

When looking at rented needs, the analysis suggests a need for 174 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the District.

The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable for particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.

When looking at the need for affordable home ownership products (“AHO”) it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. The analysis does suggest a shortfall in AHO, but this is much lower than the need for rented affordable homes.

However, it does seem that there are many households in Maldon who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.

The evidence does not show any basis to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF and indeed does provide evidence that the 10% figure could be challenged if the Council wished to do so.

In August 2020, Government confirmed its desire to introduce a new tenure (First Homes). It is expected that this would be housing sold at a discount of at least 30% from Open Market Value and would make up 25% of affordable housing delivery. Whilst this report has not studied First Homes in detail it is considered that the 25% (delivery) and 30% (discount) figures may be sound (although the 25% figure could be challenged on the basis of the evidence in this report). The balance of the affordable housing (i.e. 75%) should be provided as rented products (social/affordable rented housing).

Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to

be stressed that this report does not provide an affordable housing target in policy terms - the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

9. NEEDS OF OLDER PERSONS AND THOSE WITH DISABILITIES

9.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019.

9.2 It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (M4(2) being related to accessibility and (M4(3) being related to wheelchair users and further split into (a) 'wheelchair adaptable' and (b) wheelchair accessible').

Understanding the Implications of Demographic Changes

9.3 The population of older persons is increasing, driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older persons.

Current Population of Older People

9.4 The tables below provide baseline population data about older persons in the District and compares this with other areas. The population data has been taken from the published 2018 ONS mid-year population estimates (MYE).

9.5 The first table shows that Maldon has a relatively old age structure in terms of older people (for the purposes of this report generally considered to be people aged 65 and over), with 25% of the population being aged 65 and over in 2018. This compares with 20% regionally and 18% nationally.

Table 9.1 Older Persons Population, 2018

	Maldon	Essex	East of England	England
Under 65	75.1%	79.5%	80.4%	81.8%
65-74	14.3%	11.2%	10.6%	9.9%
75-84	7.7%	6.6%	6.3%	5.8%
85+	2.9%	2.8%	2.7%	2.4%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	24.9%	20.5%	19.6%	18.2%
Total 75+	10.6%	9.3%	9.0%	8.3%

Source: ONS 2018 Mid-Year Population Estimates

9.6 The table below shows the same information for sub-areas, this shows some notable variation in the proportion of people aged 65 and over, ranging from 21% in Heybridge & Langford, up to 27% in Rural North.

Table 9.2 Older Persons Population, 2018 – Sub-Areas

	Heybridge & Langford	Maldon	Rural East	Rural North	Rural South	Southminster-BoC
Under 65	79.4%	74.3%	74.5%	72.7%	75.2%	75.3%
65-74	12.1%	13.2%	15.0%	16.4%	15.0%	14.4%
75-84	6.0%	8.6%	7.4%	8.3%	7.5%	7.5%
85+	2.5%	3.9%	3.1%	2.7%	2.3%	2.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total 65+	20.6%	25.7%	25.5%	27.3%	24.8%	24.7%
Total 75+	8.5%	12.5%	10.5%	11.0%	9.8%	10.3%

Source: ONS 2018 Mid-Year Population Estimates

Projected Future Change in the Population of Older People

- 9.7 Population projections can next be used to provide an indication of how the numbers of older persons might change in the future.
- 9.8 Maldon is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 46% over the 20-years to 2040. This compares with overall population growth of 19% and a more modest increase in the Under 65 population of 10%.
- 9.9 In total population terms, the projections show an increase in the population aged 65 and over of 7,600 people. This is against a backdrop of an overall increase of 12,300 – population growth of people aged 65 and over therefore accounts for 62% of the total projected population change.

Table 9.3 Projected Change in Population of Older Persons, 2020 to 2040

	2020	2040	Change	% Change
Under 65	48,832	53,502	4,670	9.6%
65-74	9,201	11,372	2,171	23.6%
75-84	5,587	8,827	3,240	58.0%
85+	1,977	4,195	2,218	112.2%
Total	65,597	77,896	12,299	18.7%
Total 65+	16,765	24,394	7,629	45.5%
Total 75+	7,564	13,022	5,458	72.2%

Source: Demographic Projections

Characteristics of Older Person Households

- 9.10 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development.

9.11 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples).

9.12 The data shows that the majority of older persons households (81%) are owner occupiers, and indeed 74% are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 13% of older persons households across the study area live in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (about 5%).

9.13 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

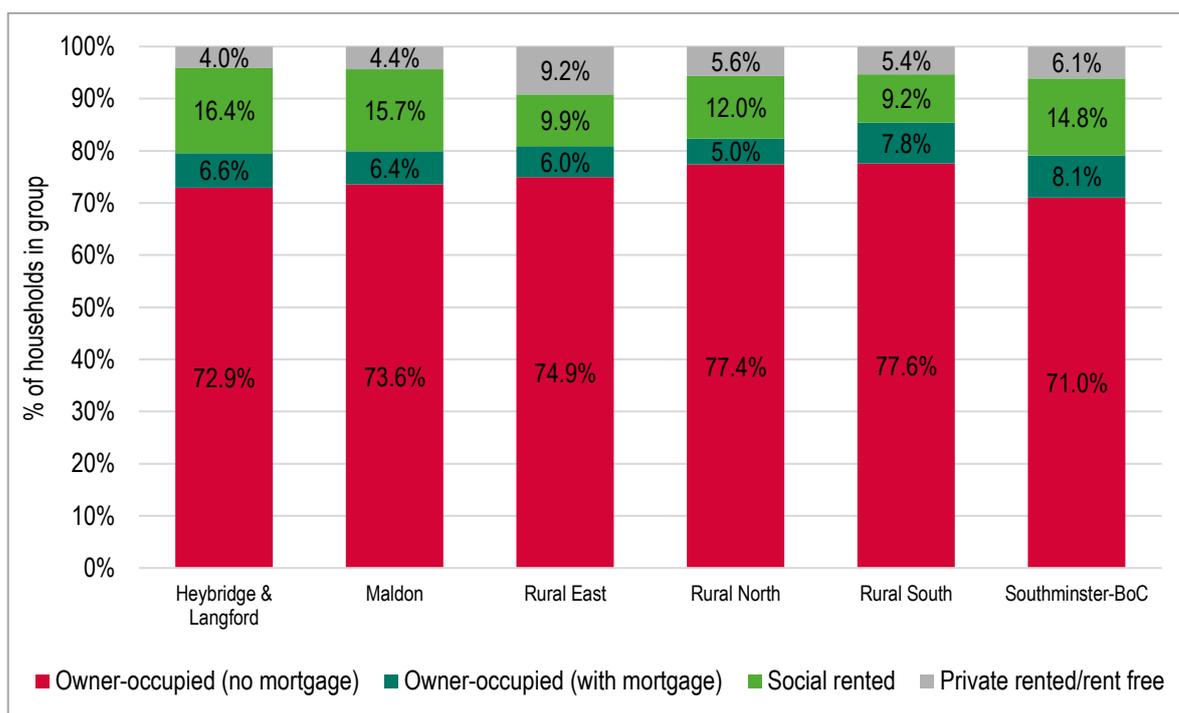
Figure 9.1: Tenure of Older Persons Household, 2011



Source: 2011 Census

9.14 The figure below shows the same information for sub-areas – the data is provided for all older person households. The data shows that the tenure profile of older person households is similar across much of the study area.

Figure 9.2: Tenure of Older Persons Households in Maldon, 2011



Source: 2011 Census

Prevalence of Disabilities – All Ages

- 9.15 The table below shows the proportion of people with a long-term health problem or disability (“LTHPD”) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD.
- 9.16 The data suggests that some 32% of households contain someone with a LTHPD. This figure is similar to that seen in other areas (including a 33% figure for the whole of England). The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 17% of the population of the study area having a LTHPD).
- 9.17 The analysis also shows some differences between different parts of the study area, with Rural East and Maldon seeing higher proportion of the population and households with a LTHPD, and lower figures being seen in the Heybridge & Langford area. Differences between areas will to some extent reflect the age structure in different locations.

Table 9.4 Households and People with a Long-Term Health Problem or Disability, 2011

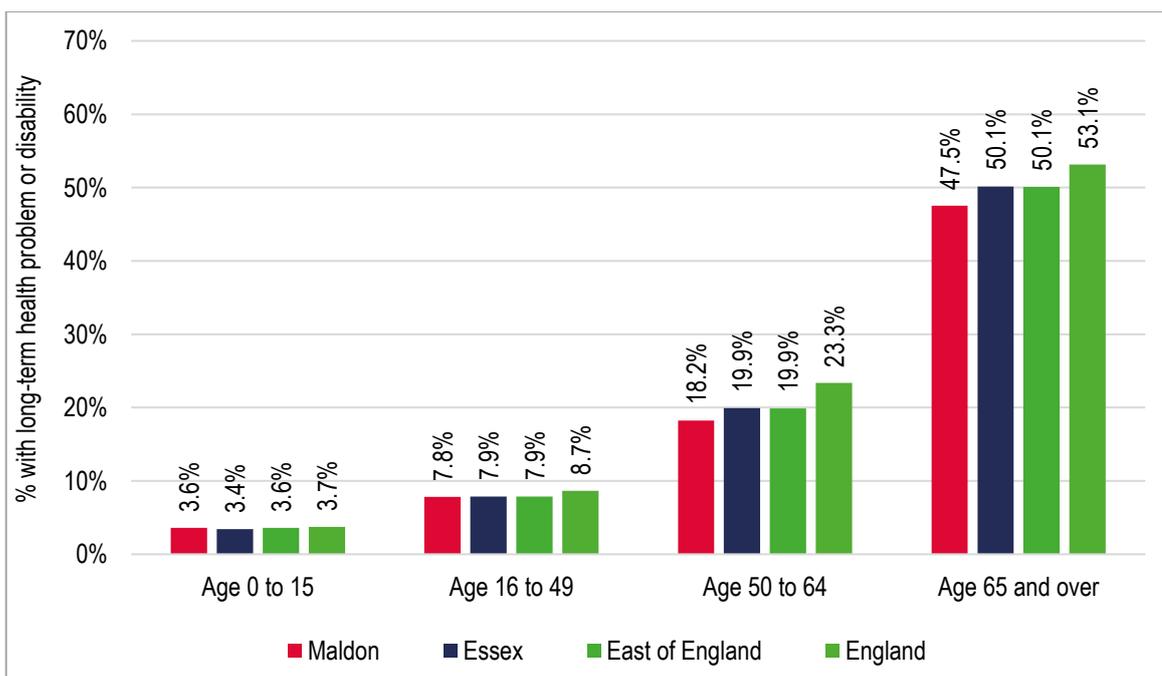
	Households Containing someone with a Health Problem		Population with a Health Problem	
	Number	%	Number	%
Heybridge & Langford	980	28.6%	1,308	15.7%

Maldon	2,174	35.0%	2,761	19.4%
Rural East	589	35.1%	774	19.1%
Rural North	1,458	30.2%	1,904	16.3%
Rural South	1,402	31.5%	1,789	15.7%
Southminster-BoC	1,779	34.1%	2,202	18.4%
Maldon District	8,382	32.5%	10,738	17.4%
Essex	185,140	31.8%	238,867	17.1%
East of England	756,338	31.2%	976,514	16.7%
England	7,217,905	32.7%	9,352,586	17.6%

Source: Demographic Projections

9.18 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also shows lower levels of LTHPD in most age bands within Maldon when compared with other areas.

Figure 9.3: Population with Long-Term Health Problem or Disability by Age

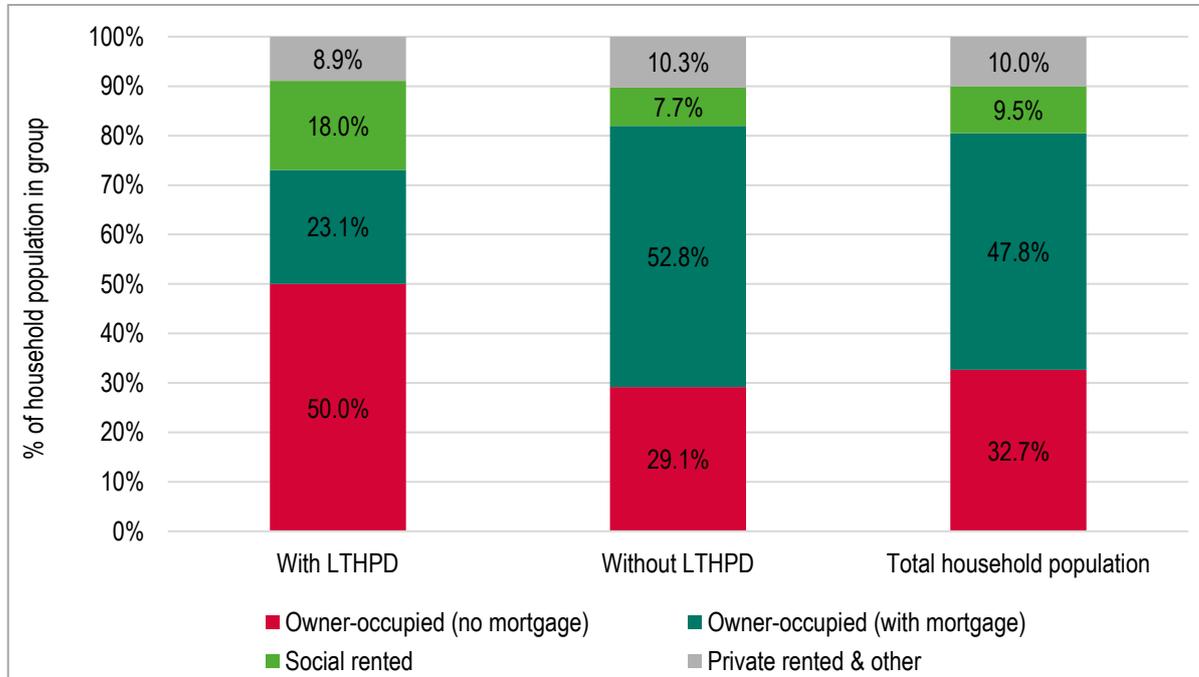


9.19 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability).

9.20 Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners (many of whom are retired), the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to

the rest of the population in terms of income levels and therefore the ability to afford goods and services (as well as to access the housing market in many instances).

Figure 9.4: Tenure of People with LTHPD vs those without a LTHPD, 2011



Source: 2011 Census

- 9.21 In addition, data taken from the same source as above suggests that 32% of all people living in the social rented sector have a LTHPD, compared with 15% of people in other tenures.

Health Related Population Projections

- 9.22 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.
- 9.23 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. In all cases the analysis links to estimates of population growth linked to the Standard Method.
- 9.24 Of particular note are the large increases in the number of older people with dementia (increasing by 75% from 2020 to 2040) and mobility problems (62% increase over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of 1,800 people with a mobility problem represents 15% of the total projected population growth.

- 9.25 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 9.5 Projected Changes to Population with Disabilities

Disability	Age Range	2020	2040	Change	% Change
Dementia	65+	1,112	1,947	835	75.1%
Mobility problems	65+	2,980	4,825	1,845	61.9%
Autistic Spectrum Disorders	18-64	362	387	25	6.8%
	65+	160	232	72	45.0%
Learning Disabilities	15-64	942	1,020	78	8.3%
	65+	351	505	154	43.9%
Challenging Behaviour	15-64	17	19	1	8.1%
Impaired Mobility	16-64	2,343	2,446	103	4.4%

Source: POPP/PANSI and Demographic Projections

- 9.26 The growth shown in those with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

Need for Specialist Accommodation for Older Persons

- 9.27 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below considers different types of older persons housing which are considered.

Definitions of Different Types of Older Persons’ Accommodation

Age-restricted general market housing: This type of housing 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.

Retirement living or sheltered housing (housing with support): This 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.

Extra care housing or housing-with-care (housing with care): This 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 known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have 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.

- 9.28 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes, and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 9.29 There are a number of ‘models’ for considering older person’s needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which typically describe the proportion of people aged over 75 who could be expected to live in different forms of specialist housing.
- 9.30 Whilst there are no definitive rates, the PPG [63-004] notes that:
- ‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)’.
- 9.31 The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (“Housing LIN”) has removed the Shop@ online toolkit although the base rates used for analysis are known and can be used alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

9.32 This report therefore uses the SHOP@ rates as a start point, but it is of interest to briefly set out other sources for comparative purposes. As the table below shows, different sources use different rates and, in some cases, do not provide estimates for particular types of housing. Overall, the SHOP@ figures tend to fit in the middle of the range shown.

Table 9.6 Baseline Prevalence Rates from a Number of Tools and Publications

	SHOP @ (2008) ¹⁴	Housing in Later Life (2012) ¹⁵	2016 Housing LIN Review	HOPSR (2017) ¹⁶
Age-restricted general market housing	-	-	25	55
Retirement living or sheltered housing (“housing with support”)	125	180	100	153
Extra-care housing or housing with care (“housing with care”)	45	65	30-40	20
Residential care homes	65	-	40	111
Nursing home	45	-	45	

Source: Range of sources

9.33 As noted, this report uses the SHOP@ figures as a starting point. However, it is clear that:

- The prevalence rates used should be assessed taking account of an authority’s strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need; and
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. There is a degree to which the model and assumptions within it do not fully capture the growing recent private sector interest and involvement in the sector.

¹⁴ Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

¹⁵ https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

¹⁶ <https://www4.shu.ac.uk/research/cresr/news/housing-older-people-supply-recommendations-hopsr>

9.34 The baseline rates applied in this assessment are discussed below - specific local adjustments are considered following the setting of baselines in the bullet points below:

- Age-restricted housing – Housing LIN does not provide rates for this type of housing and it is unclear if new provision is to be expected. For this study, the modelling takes forward overall national prevalence rates to provide some indication of what the need might be (essentially showing the position in Maldon compared with other parts of the county). The baseline rates applied are a need for 25 units per 1,000 population aged 75 and over in the affordable sector and 5 per 1,000 in market housing. No further adjustments have been made to these prevalence rates;
- Housing with Support (retirement/sheltered housing) – Housing LIN suggests a base level of 125 units per 1,000 population aged 75 and over and it is considered that this is a reasonable starting point. Adjustments are made to this figure to reflect local levels of health in the older person population. The suggested tenure split is for 50% of homes to be market housing in more deprived areas up to 67% in less deprived locations;
- Housing with Care (enhanced sheltered and extra-care housing) – Housing LIN suggests a base level of 45 units per 1,000 population aged 75 and over. It is considered that this level of provision is a reasonable longer-term aim but that this is quite a high figure in the context of current supply (estimated nationally to be around 18 units per 1,000 population aged 75 and over. Therefore, the baseline modelling sets a need figure of 25 units per 1,000 initially, rising to 45 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. The tenure split is taken to be the same as for housing with support (again adjusted depending on levels of deprivation; and;
- Residential care bedspaces – Housing LIN suggests a base level of 65 units (bedspaces) per 1,000 population aged 75 and over. This figure is considered to be a reasonable starting point. However, given that the analysis seeks to increase the need for extra-care housing it seems reasonable to expect that there might be some reduction in the need for residential care. Therefore, the analysis looks at reducing the need for this accommodation type down to 45 per 1,000 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. Residential care bedspaces do not have an associated tenure; and
- Nursing care bedspaces – Housing LIN suggests a base level of 45 units (bedspaces) per 1,000 population aged 75 and over and this is considered reasonable as both a current need estimate and projecting forward. Again, adjustments are made to this figure to reflect local levels of health in the older person population and there is no associated tenure.

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- 9.35 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population (applied to all groups apart from age-restricted housing). This has been based on Census data about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average.
- 9.36 In Maldon, the data shows slightly better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 11%) – this figure is based on comparing the proportion of people aged 65 and over with a LTHPD in Maldon (47.5%) with the equivalent figure for England (53.1%).
- 9.37 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the Shop@ toolkit which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector.
- 9.38 Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Maldon is the 211th most deprived local authority in England (out of 317). This suggests a higher need for market homes for older people in Maldon than would be assumed in an area sitting more in the middle of the deprivation index. To be clear this is market housing within the categories described above (e.g. housing with support and housing with care).
- 9.39 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation) although the population is only counted once in the table. Below is a brief summary of the findings:
- Age-restricted – the analysis suggests a potential shortfall of accommodation by 2040 in the affordable sector although the numbers are very small.
 - Housing with support (sheltered/retirement housing) – the analysis suggests a shortfall in the market sector and a surplus in the affordable sector. By 2040, a total shortfall of 600 units is estimated which are all in the market sector with an apparent surplus of affordable sheltered housing.
 - Housing with care (e.g. Extra-care housing) – a total shortfall of 500 units is estimated by 2040, of which 61% is in the market sector.
 - Residential/nursing care bedspaces – the analysis estimates a total need for an additional 600 bedspaces by 2040 (including a current shortfall almost 300)

9.40 Taking the categories of housing with support and housing with care together, the analysis suggests a need for 737 dwellings over the 2020-40 period (37 per annum) – this figure represents around 12% of the total housing need shown by demographic projections linking to the Standard Method (308 dwellings per annum).

9.41 Where market housing is shown in the table below, it is considered that this could include an element of leasehold shared ownership – this would particularly help older owner-occupiers who have lower levels of equity. The analysis in this report does not attempt to estimate the need for shared ownership and the exact proportions of the market housing delivered as shared ownership will depend on a number of factors (including viability).

9.42 At a national level, less than 5% of all market housing with care is of a shared ownership tenure and it is considered that the Council might consider a higher figure than this (say 10%) where opportunities arise.

Table 9.7 Specialist Housing Need using Adjusted Shop@ Assumptions, 2020-40

		Housing Demand per 1,000 (75+)		Current Supply	Current Demand	Current Shortfall/ Surplus	Additional Demand to 2040	Shortfall/ Surplus to 2040
		Start	Finish					
Age-Restricted	Market	5	5	0	38	38	27	65
	Affordable	25	25	66	189	123	136	260
Total (Age-Restricted)		30	30	66	227	161	164	325
Housing with Support	Market	69	69	291	518	227	374	602
	Affordable	43	43	753	327	-426	236	-189
Total (Housing with Support)		112	112	1,044	846	-198	610	602
Housing with Care	Market	14	25	14	104	90	218	307
	Affordable	9	16	9	65	56	137	194
Total (Housing with Care)		22	40	23	169	146	355	501
Residential Care Bedspaces		58	40	373	440	67	84	151
Nursing Care Bedspaces		40	40	78	304	226	220	446
Total Bedspaces		98	81	451	744	293	304	597

Source: POPP/PANSI and Demographic Projections

9.43 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

9.44 It should also be noted that within any category of need there may be a range of products. For example, many market extra-care schemes are towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may

therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

- 9.45 The table above should be considered as providing an indicative view of need based on a single set of prevalence rates (which has drawn on a range of sources). The ultimate level of provision the Council seeks to support will be influenced by its broader strategy for older persons housing and care.
- 9.46 The analysis has not attempted to break these figures down into the four sub-areas. However, the data previously provided in this section would help to indicate how needs might vary across locations. In particular, it is notable that the population of older persons does vary across the District, with those areas with higher proportions potentially expected to see a higher demand for older person accommodation.

Older Persons Housing, Planning Use Classes and Affordable Housing Policies

- 9.47 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. The Planning Practice Guidance defines extra care housing or housing with care as follows:
- “This 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 known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses”.
- 9.48 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation, bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.
- 9.49 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

- 9.50 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987. Use Class C2: Residential Institutions is defined as “use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses).” C3 (dwelling houses) are defined as “use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents).”
- 9.51 Care is defined in the Use Class Order as meaning “personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care or children and medical care and treatment.”
- 9.52 Personal care has been defined in Regulations¹⁷ as “the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided.”
- 9.53 The Government has released new Planning Practice Guidance of Housing for Older and Disabled People in June 2019. In respect of Use Classes, Para 63-014 therein states that:
- “It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided.”
- 9.54 The relevant factors identified herein are firstly, the level of care provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.
- 9.55 A range of appeal decisions have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the

¹⁷ Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010

scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

- Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.
- Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

The Framework's Policies on Affordable Housing

- 9.56 Use Class on its own need not be determinative on whether affordable housing provision could be applied. In all cases we are dealing with residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.
- 9.57 The Framework (2019) sets out in paragraph 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Paragraph 62 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.
- 9.58 Paragraph 63 states that affordable housing should not be sought from residential developments that are not major developments. Paragraph 64 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.
- 9.59 The implication for Maldon is that:
- The ability to seek affordable housing contributions from a C2 use at the current time is influenced by how its current development plan policies were constructed and evidenced; and

-
- If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

9.60 Within the local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that 'extra care' housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019). It is however important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

9.61 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:

- Schemes typically include a significant level of communal space and on-site facilities, such that the floorspace of individual units might equate to 65% of the total floorspace, compared to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is a significant proportion of space from which value is not generated through sales;
- Higher construction and fit out-costs as schemes need to achieve higher accessibility requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In many instances, developers need to employ third party building contractors are also not able to secure the same economies of scale as the larger volume housebuilders;
- Sales rates are also typically slower for extra care schemes, not least as older residents are less likely to buy 'off plan.' The combination of this and the limited ability to phase flatted schemes to sales rates can result in higher finance costs for a development.

9.62 There are a number of implications arising from this. Firstly, there is a need for viability evidence to specifically test and consider what level of affordable housing could be applied to different forms of older persons accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a differential and lower affordable housing policy is justified for housing with care.

9.63 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this is to allocate sites specifically for specialist older persons housing, and this may be something that the Councils wish to consider through the preparation of new Local Plans. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out.

Practical Issues

- 9.64 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development schemes is currently focused particularly on providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.
- 9.65 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Wheelchair User Housing

- 9.66 Information about the need for housing for wheelchair users is difficult to obtain particularly at a local level and estimates of need produced in this report draw on national data within a research report by Habinteg Housing Association and London South Bank University (supported by the Homes and Communities Agency) entitled Mind the Step: An estimation of housing need among wheelchair users in England (2010); data from the English Housing Survey ("EHS") has also been used. The EHS data (which in turn is taken from the Government's guide to disability data¹⁸) considers age specific numbers of wheelchair users which can then be modelled against demographic projections.
- 9.67 The Mind the Step report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated, based on English House Condition Survey data, that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems including those that require a wheelchair. Information from the CLG Guide to available disability data (taken from the English Housing Survey (2012-13)) puts the proportion of 'visitable' properties at a slightly higher 5.3%.
- 9.68 Overall, Mind the Step estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households¹⁹. If this is applied to the District, this would result in a current need for 99 additional dwellings that conform to M4(3) standards.

¹⁸ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

¹⁹ This is described in the Habinteg report as the number of wheelchair user households with unmet housing need

9.69 In projecting forward data from the EHS suggests there are an equivalent of 0.4% wheelchair user households per person aged under 60, and that this figure rises to 12.2% for the 85+ age group. Applying prevalence rates calculated from the EHS (across all age groups) would result in a future need for 566 dwellings that conform with M4(3) standards.

9.70 Applying both of these figures to the demographic projections (as set out in the table below) suggests a need for around 665 wheelchair user homes in the District in the period to 2040, this equates to 11% of all housing need.

Table 9.8 Estimated Need for Wheelchair User Homes, 2020-40

	Current need	Projected need (2020-2040)	Total Backlog and Future Need	Housing Need (2020-40)	% of Housing Need
Maldon	99	566	665	6,160	11%

Source: Derived from demographic projections and Habinteg/EHS Prevalence Rates

9.71 Furthermore, information in the CLG Guide to available disability data also provides national data about wheelchair users by tenure (2007/8 English Housing Survey). This showed that, at that time, around 7.1% of social tenants were wheelchair users, compared with 2.3% of owner-occupiers (there was insufficient data for private renting, suggesting that the number is low).

9.72 Applying these national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in the table below. This shows a need for 7% of all market homes to be M4(3) along with 23% of affordable (across the District).

Table 9.9 Estimated Need for Wheelchair User Homes by Tenure, 2020-40

	Market	Affordable
Maldon District	7%	23%

Source: Derived from demographic projections and Habinteg/EHS Prevalence Rates

9.73 To meet the identified need we would, therefore, recommend that the Council should seek around 10% of all new market homes to be M4(3) compliant and around 25% in the affordable sector. These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

9.74 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below) – which is particularly true for affordable homes. It is nevertheless worth highlighting that the provision of suitable accessible housing can reduce the care burden on social care and the health service and therefore has wider cost and health benefits.

- 9.75 Towards the end of 2020, the Government consulted on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds.
- 9.76 One of the policy options tabled in this document is to remove M4(1) altogether, so that all new homes will have to at least have the accessible and adaptable features of an M4(2) home. M4(3) would apply where there is a local planning policy in place in which a need has been identified and evidenced. This is consistent with the evidence presented in this report, although the trade-off identified in the consultation paper between viability and the need to deliver sufficient numbers of market homes to meet general housing needs is unavoidable.
- 9.77 The viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target.

Table 9.10 Access Cost Summary

	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi-Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

- 9.78 However, local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.
- 9.79 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size i.e. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Older Persons Housing and the Needs of those with Disabilities: Summary

A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for

older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

The data shows in general that Maldon has an older age structure compared with other areas and similar levels of disability when compared with national averages. The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings (projecting forward from 2020 to 2040) include:

- A 46% increase in the population aged 65+ over (potentially accounting for approaching two-thirds of total population growth);
- A 75% increase in the number of people aged 65+ with dementia and a 62% increase in those aged 65+ with mobility problems;
- A need for around 600 housing units with support (sheltered/retirement housing) in the market sector;
- A need for around 500 additional housing units with care (e.g. extra-care), around 40% of which in the affordable sector;
- A need for additional 600 care bedspaces; and
- a need for around 665 dwellings to be for wheelchair users (meeting technical standard M4(3)).

This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 10% of homes meeting M4(3) – wheelchair user dwellings (a higher percentage for affordable housing).

Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.

In framing or confirming policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

10. THE APPROPRIATE SIZE OF HOMES

- 10.1 This section draws together analysis in the preceding main sections to consider the appropriate mix of housing across the study area having due regard to opportunities for larger and more aspirational housing, family housing and smaller units to diversify the market.
- 10.2 The analysis considers the mix of housing across the whole of Maldon (covering all household groups and tenures); before providing some commentary about how this might vary across different sub-areas.

The Mix of Housing

- 10.3 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 10.4 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed over the assessment period to 2040 (from 2020).
- 10.5 It should be noted that the modelled approach reflects occupancy patterns as of the 2011 Census. However, this may not be the best use of accommodation and therefore may not best meet local needs. For example, it would perpetuate the current levels of under-occupation.
- 10.6 Our conclusions take the outputs from the model and augment these with other factors (such as that related to turnover of smaller affordable homes, the need for family-sized affordable homes and the under-occupation of private homes) to get to a recommended mix. The range of factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of the demand for different types, tenures and sizes of homes.
- 10.7 However, while this report makes recommendations it will ultimately be for the Council to write into policy the approach which best meets their local circumstances. This could be, for example, a desire for further downsizing or a pragmatic approach to a constrained housing supply both of which would see more smaller homes being built.
- 10.8 Furthermore, it is a reasonable policy choice to ensure optimal use of the existing stock. This would require the delivery of additional smaller, high-quality, homes than the modelling would suggest (or

specialist accommodation) which would encourage downsizing from under-occupied properties. The larger properties are thus freed up for family accommodation.

10.9 On the other hand, a policy could be pursued which sought to attract high earning/wealthier households into the area by providing larger ('executive') homes.

10.10 An important starting point is to understand the current balance of housing in the area. The table below profiles the sizes of homes in different tenure groups with the following broad observations:

- In the owner-occupied sector, the data shows that Maldon has a relatively high proportion of 4+-bedroom homes when compared with other locations, with both 2- and 3-bedroom dwellings showing lower proportions than any of the other areas studied;
- In the private rented sector, the analysis suggests that the stock is fairly balanced in comparison with other areas, with very similar proportions of all sizes of accommodation as seen across the range of areas studied; and
- In the social rented sector, the analysis again suggests a similar profile to other locations, although the relatively low proportion of homes with 4+-bedrooms is notable (only 2% of the stock compared with 4% elsewhere).

10.11 Observations about the current mix feed into conclusions about future mix later in this section although it should be noted that drawing conclusions is not straightforward. For example, the relative lack of smaller homes in the owner-occupied sector might point towards a shortfall, but this also needs to be considered against the role and function of the area, which may be a location where households would typically seek larger homes.

Table 10.1 Number of Bedrooms by Tenure, 2011

		Maldon	Essex	East of England	England
Owner-occupied	1-bedroom	4%	4%	4%	4%
	2-bedrooms	19%	23%	22%	23%
	3-bedrooms	39%	43%	46%	48%
	4+-bedrooms	38%	30%	29%	25%
	Total	100%	100%	100%	100%
Social rented	1-bedroom	31%	32%	30%	31%
	2-bedrooms	34%	33%	33%	34%
	3-bedrooms	33%	31%	33%	31%
	4+-bedrooms	2%	4%	4%	4%
	Total	100%	100%	100%	100%
	1-bedroom	19%	21%	21%	23%

Private rented	2-bedrooms	38%	41%	38%	39%
	3-bedrooms	30%	28%	30%	28%
	4+-bedrooms	12%	10%	11%	10%
	Total	100%	100%	100%	100%

Source: 2011 Census

Overview of Methodology

- 10.12 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding how Households Occupy Homes

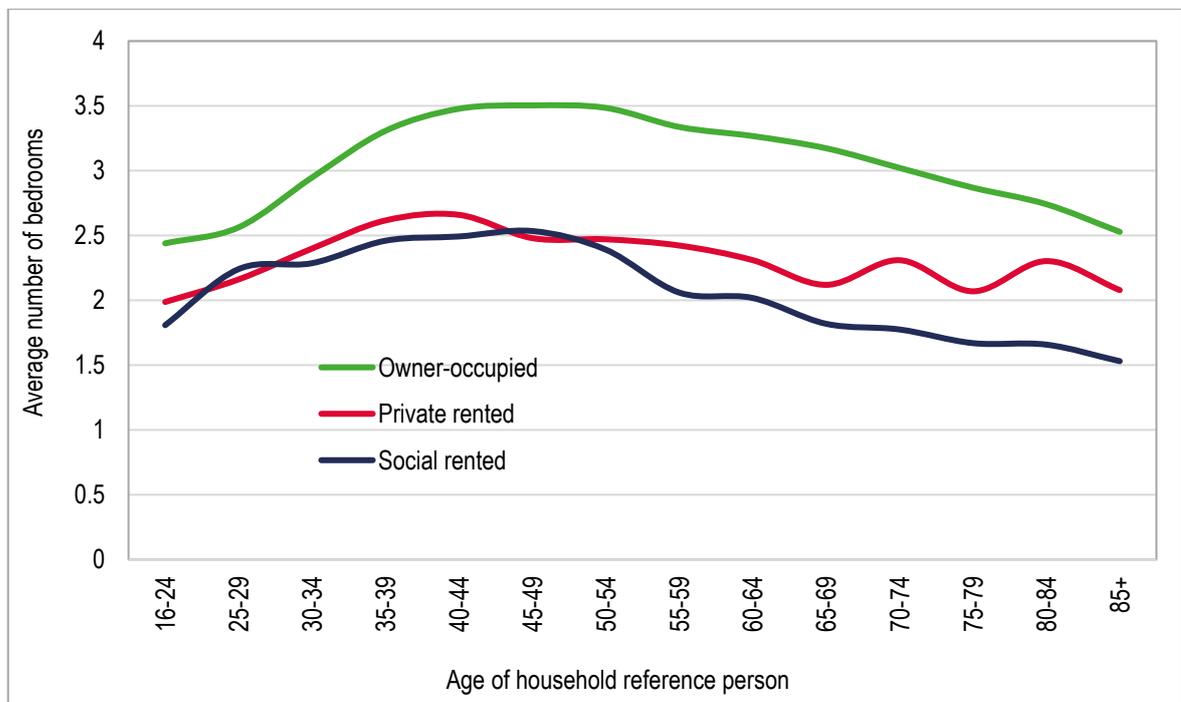
- 10.13 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided.
- 10.14 The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 10.15 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 10.16 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 10.17 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 10.18 The approach used is to interrogate information derived in the projections about the number of household reference persons ("HRPs") in each age group and apply this to the profile of housing

within these groups. The data for this analysis has been formed from a commissioned table by ONS²⁰.

10.19 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Maldon. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 40-50; a similar pattern – although with smaller dwelling sizes and arguably an earlier peak - is seen in the social rented sector.

10.20 In terms of the private rented sector, a similar pattern is shown but with less variation across age groups. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 10.1: Average Bedrooms by Age and Tenure, Maldon



Source: Derived from ONS Commissioned Table CT9621

10.21 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile. This is particularly the case in the social rented sector. On this basis a further model has been developed that applies regional occupancy assumptions for

²⁰ Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census

the East of England region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

10.22 The analysis has been used to derive outputs for three broad categories. These are:

- **market housing** – which is taken to follow the occupancy profiles in the owner-occupied sector
- **affordable home ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **rented affordable housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

10.23 The table below presents the projected change in households by age of household reference person, this clearly shows particularly strong growth as being expected in older age groups (and to some extent some younger age groups (aged up to 45)). Households headed by someone aged 50-59 are projected to see a decrease in household numbers.

Table 10.2 Projected Change in Household by Age of HRP in Maldon

Age Band	2020	2040	Change in Households	% Change
16-24	376	420	44	11.8%
25-29	973	1,185	212	21.8%
30-34	1,477	1,769	292	19.8%
35-39	1,467	1,839	373	25.4%
40-44	1,902	2,178	277	14.6%
45-49	2,380	2,574	194	8.2%
50-54	2,869	2,626	-244	-8.5%
55-59	3,033	2,853	-180	-5.9%
60-64	2,878	3,009	131	4.5%
65-69	2,657	3,402	745	28.0%
70-74	3,051	3,716	664	21.8%
75-79	2,167	3,214	1,047	48.3%
80-84	1,602	2,602	999	62.4%
85 & over	1,349	2,774	1,425	105.7%
Total	28,181	34,162	5,980	21.2%

Source: Demographic Projections

Modelled Outputs

- 10.24 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level.
- 10.25 Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 10.26 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data has been taken from the Local Authority Housing Statistics (“LAHS”) and shows a pattern of need which is focussed on 1- and 2-bedroom homes but also shows almost a fifth of those registered as requiring 3+- bedroom homes.

Table 10.3 Size of Social/Affordable Rented Housing – Housing Register Information

	Number of households	% of households
1-bedroom	373	46%
2-bedrooms	300	37%
3-bedrooms	121	15%
4+-bedrooms	13	2%
Total	807	100%

Source: Local Authority Housing Statistics, 2019

- 10.27 The tables below show that for most tenures the modelled outputs of need are similar regardless of the choice of modelling assumptions. The key difference looks to be for market housing where using local occupancy shows a higher need for 4+-bedroom homes. A further table below combines the outputs from the two models. This data is used, along with additional analysis below to draw conclusions about a suitable mix of housing for the District.

Table 10.4 Modelled Mix of Housing by Size and Tenure – Local Occupancy

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	30%	41%	23%
Affordable home ownership	22%	40%	29%	9%
Affordable housing (rented)	39%	33%	26%	2%

Table 10.5 Modelled Mix of Housing by Size and Tenure – Regional Occupancy

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	46%	19%
Affordable home ownership	22%	40%	30%	8%

Affordable housing (rented)	37%	31%	28%	3%
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Table 10.6 Modelled Mix of Housing by Size and Tenure – Combination

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	30%	44%	21%
Affordable home ownership	22%	40%	30%	8%
Affordable housing (rented)	38%	32%	27%	2%

Sources: Housing Market Model

Indicative Targets for Different Sizes of Properties by Tenure

- 10.28 The modelled analysis is based on current occupancy patterns, which might be subject to change in the future. This is particularly likely to be the case for market housing where households historically and currently have an element of choice but with worsening affordability may seek smaller homes than they might traditionally have been expected to do.
- 10.29 To give an example, a middle-income household might previously have sought a 3-bedroom semi-detached home. However, worsening affordability and stricter lending practice might now mean that such households will only be in the market for say a 2-bedroom flat.
- 10.30 In addition, provision of certain types of accommodation may influence the mix needed; for example, if many high-quality units were provided specifically for older persons (e.g. specialist housing or bungalow accommodation) then this might encourage an increased level of downsizing and release additional larger homes into the market. This would have the consequence of potentially reducing the need for larger homes.
- 10.31 It is difficult to say to what extent the mix might move away from the modelled data but in developing policy the Council could make further adjustments to the recommended mix below to reflect any local issues.

Social/Affordable Rented Housing

- 10.32 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children).
- 10.33 Furthermore, the Housing Register data is based on a strict determination of need based on a bedroom standard and there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (i.e. are not caught by the 'bedroom tax' – this will include older person households).

10.34 In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

- 1-bedroom: 30-40%
- 2-bedrooms: 30-40%
- 3-bedrooms: 20-30%
- 4+-bedrooms: Up to 10%

10.35 The Council should take account of any feedback from Registered Providers through consultation processes such as the Local Plan in informing planning policies.

Affordable Home Ownership

10.36 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 15-25%
- 2-bedrooms: 35-45%
- 3-bedrooms: 25-35%
- 4+-bedrooms: 5-15%

10.37 Whilst the need for affordable home ownership properties is focused towards younger households, the conclusions also recognise the particular affordability challenges for family housing.

Market Housing

10.38 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bedroom: Up to 10%
- 2-bedrooms: 25-35%
- 3-bedrooms: 40-50%
- 4+-bedrooms: 15-25%

- 10.39 The figures above can be used to develop a housing mix policy as part of any Local Plan review. It is however recommended that flexibility is applied to these figures on a site-by-site basis depending on site characteristics – for example, a town centre brownfield site might be better suited to (smaller) flatted development, with greenfield sites on the edge of towns or villages potentially being better suited to higher proportions of family homes.
- 10.40 It should also be noted that demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.
- 10.41 As well as using the figures to help frame Local Plan policies, they can also be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.
- 10.42 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council should expect justification for a housing mix on such sites which significantly differs from that suggested above. As noted however, site location and area character are also however relevant considerations for the appropriate mix of market housing on individual development sites.
- 10.43 Within this mix a range of homes should be provided. For example, within the 4+-bedroom allocation this would include basic accommodation for larger families as well as executive homes. Similarly, the 1- and 2-bedroom developments could include flats for young professionals as well as older people – the design and location of each is likely to be distinct.

Small Area Housing Mix

- 10.44 The analysis above has focussed on overall District-wide needs; given clear spatial differences between locations it is however worth considering the potential mix at a smaller-area level. The table below shows the profile of housing by tenure for the six sub-areas.

Table 10.7 Number of Bedrooms by Tenure, 2011 – Sub-Areas

		Heybridge & Langford	Maldon	Rural East	Rural North	Rural South	Southminster BoC
Owner-occupied	1-bed	5%	6%	3%	2%	3%	3%
	2-beds	18%	21%	20%	18%	15%	23%
	3-beds	43%	45%	42%	34%	33%	41%
	4+-beds	35%	28%	35%	46%	49%	33%
Social rented	1-bed	27%	34%	30%	23%	27%	35%
	2-beds	37%	32%	32%	33%	31%	38%

	3-beds	33%	32%	33%	42%	39%	25%
	4+-beds	3%	2%	5%	2%	3%	2%
Private rented	1-bed	22%	24%	10%	10%	22%	21%
	2-beds	36%	43%	35%	40%	28%	40%
	3-beds	30%	27%	38%	34%	30%	28%
	4+-beds	12%	7%	17%	16%	21%	10%

Source: 2011 Census

- 10.45 Focussing on the owner-occupied sector, the analysis shows a range of 18% of homes being 1- or 2-bedroom (in Rural South) up to 27% in Maldon. Arguably this might suggest that areas with fewer smaller homes have a greater need for that size of accommodation to help balance the stock. However, it should also be noted the current mix is likely to some extent reflect the role and function of different areas (e.g. areas with higher proportions of larger (3+-bedroom) homes may traditionally be areas more highly sought by family households and/or slightly wealthier households).
- 10.46 On this basis, whilst there are clear differences in the current stock, and indeed the profile of the population it is not considered that these are sufficient to suggest a different mix of housing at a sub-area level. If developments were provided in-line with the suggested mix in this report, then over time there would be some degree of balancing the stock across areas, whilst still recognising the general role and function of different locations.
- 10.47 In the social rented sector, the differences between areas is arguably more stark, although this may in part be due to low levels of stock in some locations. For this tenure, the range of 1- and 2-bedroom homes is from 56% in Rural South, up to 73% in Southminster-Burnham-on-Crouch.
- 10.48 As with the owner-occupied sector, it is the case that the current profile may to some extent reflect the role of different areas and the extent to which certain household groups might seek housing in different types of location (e.g. young single people without access to a car might be most suited to living in the main towns, but to some extent these areas already have some of the highest proportions of smaller homes). Therefore, as with market housing, it is not suggested that the finding of a different profile of housing should necessarily lead to suggestions of a different local housing mix.
- 10.49 Finally, the table did consider the profile of private rented accommodation for the purposes of completeness. Again, there are some differences between areas but it is not considered that this leads to a need to consider the future mix of housing in this tenure (this report does not recommend any 'targets' for increasing the size of this sector in the future).
- 10.50 Overall, therefore, the analysis does not suggest that a different mix should be proposed for smaller areas although there may be a case on a site-by-site basis, or at a specific point in time for some minor adjustments. This is summarised below:

-
- Whilst there are differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
 - As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;
 - That said, some of these areas will have less small/more affordable stock and so consideration needs to be given to diversifying the stock;
 - The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level;
 - It should also be noted that a newbuild home may well have very different characteristics to a similar sized existing property (such as 3-bedroom townhouses in an area with predominantly older 3-bedroom semi-detached homes);
 - Overall, it is suggested that the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest.

The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples.

- Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Bungalows

- 10.51 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. The household survey undertaken for Maldon as part of this work has however demonstrated that there is demand for this type of accommodation.
- 10.52 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is

different from specialist accommodation for older people which would have some degree of care or support). It is recognised however that by improving accessibility standards of general housing could change this preference.

- 10.53 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines. It is noted that that densities can also be increased – to an extent – such as through the provision of terraced bungalows, which are already a feature in Maldon District.
- 10.54 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 10.55 According to the outputs of the household survey undertaken as part of this work, around 15% of older person households (equal to 1,450 households) stated an intention of moving in the next 5-years with characteristics including:
- 59% would like to downsize; and
 - 60% would like to move to a bungalow, with only 17% currently living in this type of accommodation.
- 10.56 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing given there is evidently demand in the District. It is also clear that such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive and viability will determine how many bungalows can be delivered.
- 10.57 In addition, many modern older persons accommodation come in multi-storey development. If there is an operational lift and units are across a single storey such development would potentially meet some of the same need.

Housing Mix: Summary

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic

performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Table: Suggested Mix of Housing by Size and Tenure

	1 Bed	2-Beds	3-Beds	4+ Beds
Market	Up to 10%	25-35%	40-50%	15-25%
Affordable Ownership	15-25%	35-45%	25-35%	5-15%
Affordable Rented	30-40%	30-40%	20-30%	Up to 10%

The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure) and how this compares with other locations.

The mix identified above should inform strategic policies. However, in applying the mix to individual development sites regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There is also likely to be strong demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

Analysis also considered the population profile and the current mix of housing at a smaller-area level. Whilst there were some differences between areas, it is not considered that they are substantial enough to suggest a different mix of housing as being needed in different areas. That said, the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that drawn from the Housing Register.

11. THE NEEDS OF SPECIFIC GROUPS

- 11.1 This section considers the housing needs of specific groups including younger households (first-time buyers), families, service families and students.

Younger People and First Time Buyers

- 11.2 The Table below profiles the proportion of current households where the household reference person (head of household) is aged under 40 and is therefore regarded as a younger household. Over the 2020-40 period, the number of younger households is expected to increase by 21.5% in Maldon equal to an increase of 921 younger households or 15% of the total expected household growth.

Table 11.1 Level and Projected Growth of Younger Households, 2020-40

	2020	2040	Change	%
16-24	376	420	44	11.8%
25-29	973	1,185	212	21.8%
30-34	1,477	1,769	292	19.8%
35-39	1,467	1,839	373	25.4%
Total Under 40	4,293	5,213	921	21.5%
Total	28,181	34,162	5,980	21.2%

Source: Demographic projections

Home Ownership amongst Younger Households

- 11.3 Younger households and younger single persons often find barriers to accessing a choice and mix of housing offer to meet their needs. These reflect differentials between housing costs (whether to buy or rent) and incomes. These difficulties are compounded by the operation of mortgage lending and finance with increased levels of scrutiny concerning a household or individuals' ability to meet repayments and also to find substantial deposits in order to secure finance.

Affordability and Access to Finance

- 11.4 In Maldon, lower quartile house prices have now risen to 11.3 times typical earnings of younger households. Notably, the LQ affordability ratio has worsened year-on-year since 2013 and entry-level affordability is clearly at a level which points to significant barriers for younger households seeking to buy a home.
- 11.5 Lower quartile house prices averaged out at £265,000 in Maldon in the year ending December 2019. The LQ average sales prices in the East of England have also witnessed significant increases over recent years. Looking back five years ago to December 2014, entry-level prices were £180,000 in

Maldon. On the basis of loan to income ratios used by most mortgage lenders of 4.5 times annual income²¹, the table below sets out the monthly entry-level housing costs.

Table 11.2 Entry-Level House Purchase Costs, 2019

	LQ Price	Monthly Mortgage Cost	Stress-Test Monthly Mortgage Cost
Maldon	£265,000	£1,131	£1,537
East of England	£213,000	£905	£1,230
England	£160,000	£683	£928

Source: *House Price Statistics for Small Areas, Icení Calculation and The Money Advice Service, April 2019*

- 11.6 Overall, the entry level house purchase costs represent a significant barrier and challenge for many younger households with monthly mortgage payments in excess of £1,100 in Maldon and with the requirement for significant savings to access deposit finance.
- 11.7 According to research undertaken by Halifax²² for the UK as a whole, first-time buyers' costs increased significantly in 2019. The average amount put down by a first-time buyer in 2019 was £46,187, compared to £43,155 the year before, a rise of 7% (£3,032). On the basis of entry-level housing prices in Maldon District and an assumption of a 10% deposit, £26,500 would be required as an initial outlay which is substantial.
- 11.8 However, mortgages of up to 90% are becoming less common and banks are operating more stringent lending practices resulting in a requirement for deposits of at least 20% which would be equal to £53,000 in Maldon District - compounding the barriers to home ownership and challenges for first time buyers. In 2019, the average deposit in the East of England was £43,188 equal to 20% of the purchase price, according to Halifax.

Help-to-Buy Support

- 11.9 The Government's Help-to-Buy Programme provides a range of schemes which support younger households to get on the housing market (and in doing so support housing market activity). The programme now includes:
- **Help to Buy Equity Loan**– This scheme, for new homes, is open to first time buyers and existing homeowners. There is no income cap and properties can be purchased up to a value of £600,000. A 5% deposit is required and the Help to Buy Equity Loan lends up to 20% of the

²¹ Calculations assume a 10% deposit, repayment term of 25 years and a 3% interest rate over the term (6% for the Stress Test). It is assumed that there is no existing housing equity available to purchasers

²² Halifax Press Release: First-Time Buyers' Costs Soar Over Last Year, January 2020

purchase prices resulting in a maximum mortgage to be secured of 75% of the total price. The Help to Buy loan is interest free for the first five years.

The Equity Loan will however become more restricted with the current scheme ending on 31st March 2021. To qualify for this equity loan, buyers must legally complete buying before this date. A new scheme will begin on 1st April until 31st March 2023. Homebuyers will still be able to borrow an equity loan up to 20% outside of London with price caps applying by region - £407,400 in the East of England. Only first-time buyers will be able to access the scheme.

- **Help to Buy: Shared Ownership** – to support part ownership of between 25% and 75% of the total home (either new build or resales) and ongoing rental payments on the remainder.

11.10 The Help to Buy programme allows the purchase (or part purchase) of new build housing and existing stock via a re-sale of Registered Providers stock. It is funded by the Government via Homes England and then administered by regional Help to Buy agents.

11.11 Through our engagement with estate agents in the District however, they note that although there is a mix of buyers in the area, there is less first-time buyers due to the high house prices.

11.12 MHCLG data indicates that over the period between April 2013 and March 2020, the Help-to-Buy Equity Loan Scheme has helped a total of 301 households to buy a home in Maldon with the evidence suggesting that the scheme plays a role in helping younger households to buy a home in the District. The Table below provides a breakdown of the impact of Help to Buy in helping first-time buyers.

Table 11.3 Help to Buy Impact in Maldon, 2013-20

	Flats	Homes	Total	Value
Maldon	7	294	301	£19.8m

11.13 This analysis reveals a total value of £19.8m of the loans issued in Maldon District. Almost all purchases have been freehold homes. It is clear that the scheme has played a notable role in supporting the housing market over the period since 2013 and is an important means of helping younger households.

11.14 The formulation of a Help to Buy scheme post-2021 solely for first-time buyers does offer some certainty that this form of housing market intervention and support will continue for the foreseeable future.

11.15 Ultimately however, in absolute terms, the level of deposit required in order to secure a market housing purchase has increased substantially linked to increasing sales prices over time and to the ability of individuals/family households ability to save a sufficient element of income for the deposit.

The affordability of housing to buy, and the ability of younger households to access it has deteriorated in recent years; and is now out-of-reach of many younger households.

- 11.16 A strategy which draws on a number of measures is needed to address the needs of younger households, including most importantly promoting the delivery of affordable housing through planning policy – and in particular affordable home ownership and shared ownership products which provide an avenue for younger households to get onto the property ladder without significant deposit requirements.

Families

- 11.17 The number of families in the District - defined for the purpose of this assessment as any household which contains at least one dependent child - totalled 7,100 as of the 2011 Census, accounting for 27% of households.
- 11.18 This proportion is slightly lower than seen across the County, region and nationally. Maldon District is notable for having a particularly low proportion of lone parents and a high proportion of married couple households. There is some variation across the District with Heybridge & Langford in particular seeing a higher than average proportion of households with dependent children.

Table 11.4 Households with Dependent Children, 2011

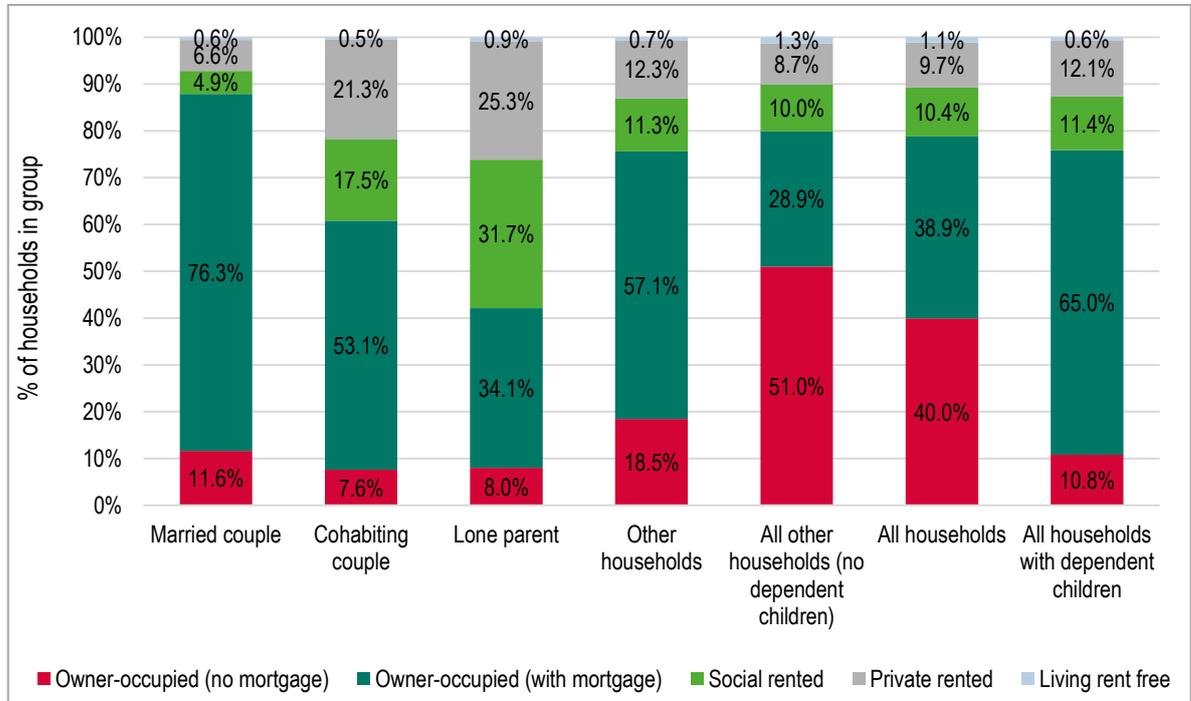
	Married Couple	Cohabiting Couple	Lone Parent	Other Household	All Other Households	Total	Total Families
Heybridge & Langford	18.7%	5.2%	5.3%	1.3%	69.5%	100.0%	30.5%
Maldon	15.9%	4.1%	5.9%	1.3%	72.8%	100.0%	27.2%
Rural East	15.1%	4.8%	2.9%	2.3%	74.9%	100.0%	25.1%
Rural North	18.7%	3.2%	3.1%	1.7%	73.4%	100.0%	26.6%
Rural South	20.3%	3.2%	3.3%	2.0%	71.2%	100.0%	28.8%
Southminster BoC	15.9%	4.3%	4.7%	1.4%	73.7%	100.0%	26.3%
District	4,514	1,035	1,144	406	18,718	25,817	7,099
	17.5%	4.0%	4.4%	1.6%	72.5%	100.0%	27.5%
Essex	16.7%	4.2%	6.3%	1.9%	70.9%	100.0%	29.1%
East of England	16.7%	4.3%	6.2%	2.2%	70.6%	100.0%	29.4%
England	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: Census 2011

- 11.19 The Figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a high proportion living in the

social rented sector and also in private rented accommodation. Only 42% of lone parent households are owner-occupiers compared with 88% of married couples with children.

Figure 11.1: Tenure of Households with Dependent Children, 2011



Source: 2011 Census

11.20 Household projections have been developed, linked to the Standard method to estimate growth in family households over the period to 2040. The detailed profile of these is set out in the table below; and shows growth of 26% equal to around 1,900 family households. The projected increase in family households is slightly above the overall level of household growth projected.

Table 11.5 Projected Change in Family Households, 2020-40

	2020	2040	Change	%
Households with one dependent child	3,420	4,552	1,133	33.1%
Households with two dependent children	3,118	3,926	808	25.9%
Households with three dependent children	914	884	-30	-3.3%
All other households	20,730	24,800	4,070	19.6%
Total Households	28,181	34,162	5,980	21.2%
Total households with dependent children	7,452	9,362	1,910	25.6%

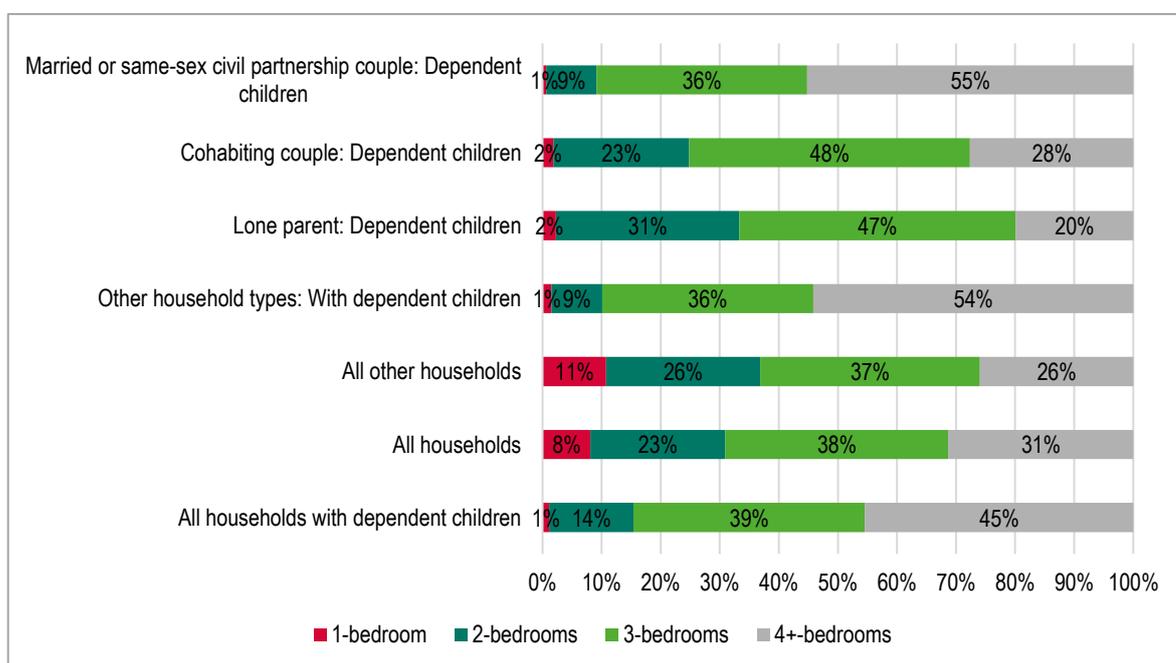
Source: Demographic Projections

11.21 The level of growth in family households does not automatically translate into an equivalent need for family-sized accommodation, not least as many older households will continue to live in family-sized properties that offer space for friends and relatives to come and stay.

11.22 The figure below shows the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the District, the tendency is for family households (irrespective of household composition) to occupy 3+-bedroom housing with variations depending on the household composition.

11.23 The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom properties; although, given the affordable housing need profile, a greater balance of homes of medium sized properties has been factored into our recommendations on housing mix.

Figure 11.2: Number of Bedrooms by Family Household Type, 2011



Source: 2011 Census

11.24 The delivery of family sized housing remains a requirement in both urban and rural locations of the District. This includes providing family housing in the widest possible choice and mix of housing locations including town centres, and through the sustainable expansion of rural and smaller settlements (particularly helping to support economic and social vitality).

11.25 It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and consideration of the operation of the market. There may still be limitations as to the affordability of larger properties in the context of continued growth in sales prices evident across the District in recent years.

11.26 In more rural areas, the opportunity to broaden and secure a choice and mix of family sized accommodation alongside smaller accommodation should be explored in order to diversify the

market and provide for local housing demand. Whilst in towns, subject to the availability of land, the provision of family-sized accommodation should be supported.

Service Families

11.27 The Framework (paragraph 61) seeks to ensure that the housing needs of different groups are assessed and reflected in planning policies. The paragraph lists various different groups including service families. Military personnel are listed as part of the definition of essential local workers in the Framework under Annex 2.

11.28 The Armed Forces Covenant (May 2011) was published by the Ministry of Defence and describes a moral obligation that the Government and the Nation owe to those who serve or have served in the Armed Forces and to their families. With respect to housing, the Covenant states:

“In addressing the accommodation requirements of Service personnel, the MOD seeks to promote choice, recognising the benefits of stability and home ownership amongst members of the Armed Forces where this is practicable and compatible with Service requirements, and also that their needs alter as they progress through Service and ultimately return to civilian life. Where Serving personnel are entitled to publicly provided accommodation, it should be of good quality, affordable, and suitably located

They should have priority status in applying for Government-sponsored affordable housing schemes, and Service leavers should retain this status for a period after discharge. Personnel may have access to tailored Armed Forces housing schemes or financial arrangements, depending on their circumstances, to help them in purchasing their own property. Those injured in Service should also have preferential access to appropriate housing schemes, as well as assistance with necessary adaptations to private housing or Service accommodation whilst serving.”

11.29 Members of the Armed Forces Community should have the same access to social housing and other housing schemes as any other citizen, and not be disadvantaged in that respect by the requirement for mobility whilst in Service. Government has acted to implement various measures aimed at strengthening the position of ex-military personnel when seeking to access housing and support.

11.30 From 2012, Government revised national guidance to include measures to: set new “priority need” categories to assist homeless ex-service personnel in accordance with the Housing Act 1996; change the rules on local connection to ensure that barriers are removed in accessing social housing; and include ex-military personnel as a priority category in terms of eligibility for certain low-cost home ownership initiatives.

- 11.31 There has therefore been a national emphasis and obligation to support ex-service personnel in terms of their housing and the rehabilitation care needed to honour the implementation of the Armed Forces Covenant. There are a number of housing schemes that are available to the Service and Ex-Service community under the HomeBuy umbrella. In addition, the MoD Referral Scheme aims to provide low-cost, rented accommodation for service personnel on leaving the Services.
- 11.32 Our analysis of the 2011 Census data for members of the military services (aged 16 and over) who are usually resident in Maldon does not identify any service personnel. The Census data disclosure policy prevents data from being produced for local authorities which fail to meet a minimum threshold in the number of Armed Forces persons resident or working in the area. In Maldon District, the minimum threshold was not met.
- 11.33 However, as part of the household survey, respondents were asked whether anyone living in the household was a member of the armed forces including reserve and special forces. As a proportion of all households, 0.4% confirmed that there was – equal to 107 households in the District.
- 11.34 The overall number of service personnel living in Maldon must therefore represents a very small proportion of the overall population. Iceni has also confirmed with the Civil Engagement Officer for Merville Barracks in Colchester – which is the most relevant MOD HQ in close proximity to the District - to confirm that there are no expansion plans or likely impact with regards to housing for Maldon District.
- 11.35 On the basis of the evidence and our discussions, there is no requirement for any intervention from the Council in respect of service families.

The Needs of the Student Population

- 11.36 According to 2011 Census data, there were 955 full-time students aged 18 and over in Maldon District. The Table below shows the percentage change of full-time students between 2001 and 2011 in Maldon as well as the wider HMA including Chelmsford and Braintree for context.

Table 11.6 Change in Full-Time Students Aged 18 and Over, 2001-11

	2001	2011	% Change
Maldon	731	955	31%
HMA	5,957	7,959	34%

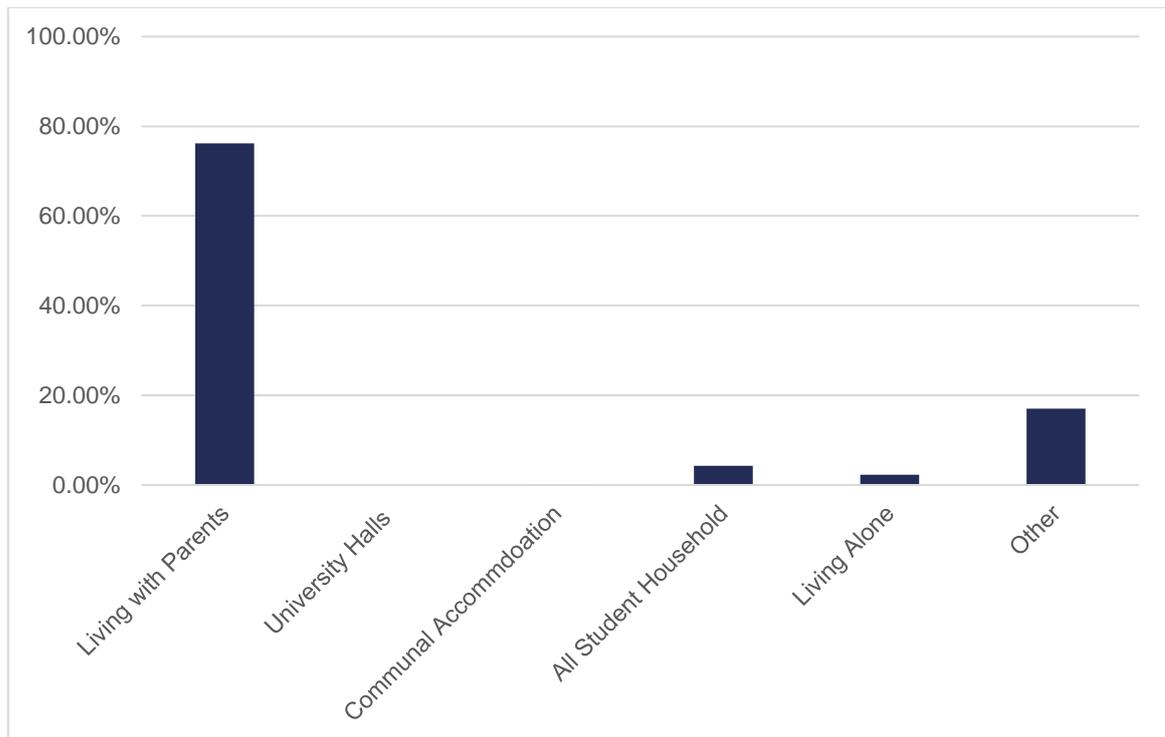
Source: Census 2001 and 2011

- 11.37 There is no higher education establishment in Maldon District. There is one campus forming part of a higher education establishment situated in the wider HMA – Anglia Ruskin University’s Chelmsford

Campus. The University of Essex is also located in close proximity and draws on students from the District.

11.38 The Figure below shows the accommodation status of full-time students aged over 18 living in Maldon at the point of the 2011 Census. As is clear, the vast majority were living with parents – therefore living at home and commuting to college or University – with a small proportion living in all student households.

Figure 11.3: Accommodation Status of Students, Aged 18 and Over²³



11.39 IcenI has also considered the change in student’s accommodation structure between the 2001 and 2011 Census in Maldon District. The Table below shows the net change between 2001 and 2011 in total students aged 18 or over resident in Maldon District.

Table 11.7 Changes in Students by Different Accommodation Types, 2001-11

	Maldon Net Change, 2001-2011	HMA Net Change, 2001-2011
Living with parents	357	2,955
Living in a communal establishment	3	-139
Living in all student household	17	276

²³ “Other” includes living in a one family household with spouse, partner or children

Student living alone	9	24
Other household types	-84	-406

Source: Census 2001 and 2011

- 11.40 The analysis shows that there has been a significant increase in students living with parents; however, elsewhere there has been a modest increase or decrease. Overall, the evidence points to modest numbers of students living in Maldon with no direct housing requirements.
- 11.41 Our analysis does not suggest a need for a substantive policy intervention or that any purpose built student housing provision is necessary over the plan period.

Student Housing Needs: Summary

There is no higher education establishment in Maldon District. There is one campus forming part of a higher education establishment situated in the wider HMA – Anglia Ruskin University’s Chelmsford Campus. The University of Essex is also located in close proximity and draws on students from the District.

According to 2011 Census data, there were 955 full-time students aged 18 and over in Maldon District. This number grew over the last two Census points; however, the vast majority of students are either living with parents – and therefore most likely commuting to higher and further education establishments outside of the District – or living with a partner or in a family household.

As a result of the modest number of students in the District and the accommodation status of these students, our analysis does not suggest a need for a substantive policy intervention or that any purpose built student housing provision is necessary over the plan period.

The Needs of Gypsy and Traveller Households

- 11.42 The Framework is clear that an assessment should be undertaken of the needs of traveller families who do not meet the planning definition of Gypsies and Travellers but who require pitches or plots. This HNA does not seek to undertake this assessment as the recently completed in December 2016 has undertaken this assessment.
- 11.43 The study found that for Maldon, there was a need for 8 additional pitches from households that did not meet the planning definition over the period to 2016-2033. This need was broken down into five-year periods - in the years 2016-2021, six pitches were needed and in the years 2021-2026, two pitches were needed. The report concluded in the years 2026-2033 no new pitches would need to be provided.

11.44 The need for households who did not meet the planning definition should be addressed as part of general housing need and through separate Local Plan policies, as all Travellers will have been included as part of the overall local housing need.

Caravans and Houseboats

11.45 The latest Council Tax records for caravans and houseboats in Maldon District identifies a total of 357 comprised of 295 caravans and 62 houseboats. This is equal to 1.3% of the District's households in 2020.

11.46 The household survey also asked respondents to indicate whether or not they lived in a caravan or other mobile or temporary structure. This indicated that a total of 227 households did so which is equal to 0.8% of all households.

11.47 Those households who reside in houseboats, caravans and other temporary moving structures will form part of the local housing need being planned for in the District.

11.48 As a result, drawing on these statistics – noting both a lower and a higher proportion of households, it is possible to relate this to the projected growth in households arising through the 2014-based household projections – which underpin the current calculation of local housing need through the standard method - and estimate the potential increase in demand over the plan period from caravan and houseboat households. This is shown in the Table below.

Table 11.8 Projected Change in Caravan and Houseboat Households, 2020-40

	Lower	Higher
Projected Household Growth (2014-based)	4,140	4,130
% of Caravan and Houseboat Households in 2020	0.8%	1.3%
Projected Increase in Caravan and Houseboats	33	52

11.49 As our analysis shows, there is potential for an additional 30 to 50 caravan and houseboat households over the period to 2040 in Maldon District, equal to around 2 to 3 on an annual basis. Overall, it is not considered that the overall scale of this part of the housing market is large enough to lead to any specific requirements or policy interventions.

12. UNDERSTANDING DIFFERENT MARKET SEGMENTS

- 12.1 This section considers a number of key market segments which are relevant to Maldon District. These market segments are a separate source of supply to conventional house building – meeting the changing needs of specific groups such as those who wish to build their own home, live in the private rented sector or live rurally together with the wider community.

Self-Build and Custom Housebuilding

- 12.2 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) (“the 2015 Act”) provides a legal definition of ‘self-build and custom housebuilding’ which are where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 12.3 The Government has long had a clear agenda for supporting and promoting the self-build and custom building sector. In *Laying the Foundations: A Housing Strategy for England* (November 2011), the Coalition Government set out plans to enable more people to build or commission their own home.
- 12.4 The Housing and Planning Act 2016 (“the 2016 Act”), which received Royal Assent on 12th May 2016, formally introduced the ‘Right to Build’ at Chapter 2. This 2016 Act under the ‘duty to grant planning permissions etc’ has placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period. The Self-Build and Custom Housebuilding Regulations 2016 subsequently came into force on 31st October 2016, amending the 2015 Act and implementing Chapter 2 of the 2016 Act.
- 12.5 In the Government’s Housing White Paper²⁴ (paragraph 3.14) in January 2017, the commitment to support the self-build and custom housebuilding sector was reasserted, the Government stating that “*alongside smaller firms, the Government wants to support the growth of custom built homes*” in recognition of the fact that custom build homes are generally built more quickly, built to a higher quality and tend to use more productive and modern methods of construction.
- 12.6 In addition, the Government highlighted that “*fewer homes are custom built in England than many other countries, but there is evidence of more demand for them including from older people*”. According to successive Ipsos MORI polls at the time of the Paper’s publication, more than a million

²⁴ Fixing our Broken Housing Market (DCLG, February 2017)

people across the UK expected to buy a building plot, secure planning permission or start/complete construction work on their new home.

- 12.7 On the other side of the argument however, the Government (paragraph 3.15) did acknowledge that there are barriers to self-build and custom housebuilding, including access to finance – as “*mortgages for custom and self-built homes represent a very small proportion of the overall lending market*”; the planning process and variations to local authority approaches and crucially, land supply and procurement.

Maldon Self-Build Register

- 12.8 As of 1st April 2016 and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority’s area in order to build their own self-build and custom houses.
- 12.9 The Maldon Self-Build and Custom Housebuilding Register was introduced in April 2016 and there has now been four full base periods up to 30th October 2019.
- 12.10 The authority introduced a local connection test in June 2018. In accordance with the 2016 Act, the Council is therefore required to have two parts to the register whereby all individuals or groups who apply for entry on the register and meet all the eligibility criteria must be entered on Part 1 of the Register. Those who met all the eligibility criteria except for a local connection test must be entered on Part 2 of the Register. The Council is only required to grant sufficient planning permissions to meet the demand identified on Part 1 of the Register.
- 12.11 Notably, the local connection test was applied from the start of the fourth base period on 31st October 2018. Therefore, the individuals who were on the Register prior to the introduction of the local connection test were automatically added to Part 1 of the Register. However, it should also be noted that the Council sought to refresh the Register in September 2018 by asking each individual if they wished to remain on the Register. Those that did not respond were removed from the Register.
- 12.12 If assessed over the four base periods including Part 1 and Part 2 of the Register using the latest gathered data, there has been a total of 15 registered expressions of interest in a serviced plot of land. A total of 10 individuals are registered under Part 1. The Table below provides a year-on-year breakdown of those individuals who have expressed demand for serviced plots of land in Maldon.

Table 12.1 Serviced Plot Demand by Base Period in Maldon

	Part 1	Part 2
Base Period 1 (1 st April 2016 to 30 th October 2016)	1	0
Base Period 2 (31 st October 2016 to 30 th October 2017)	4	0

Base Period 3 (31 st October 2017 to 30 th October 2018)	5	0
Base Period 4 (31 st October 2018 to 30 ^h October 2019)	0	5
Total	10	5

12.13 It is worth highlighting that an Ipsos Mori poll²⁵ undertaken for the *National Custom and Self-Build Association* (“NaCSBA”) in 2016 found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England. As a result, the number of individuals on a local authority’s self-build register may underestimate demand. The number of individuals – which is low in relative terms to other parts of England – is also likely to be influenced by the Council’s refresh in September 2018.

Household Survey

12.14 As part of the household survey, respondents were asked whether (1) they were intending to build their own home and (2) whether they were currently on the Council’s self and custom housebuilding register. The results are set out in the Table below.

Table 12.2 Household Survey: Self and Custom Housebuilding

	Yes	% of Total ²⁶
Are you intending to build your own home?	579	7.9%
Are you currently on the Council’s register?	39	0.6%

Source: Household Survey

12.15 As the analysis of the survey results show, a substantial 579 households noted their intentions to build their own home. This equates to around 8% of households in the District that stated they had intentions to move and 2% of households overall. However, only 6.7% of households with an intention to build are currently on the register.

12.16 Although it is recognised that a household’s intention does not necessarily mean that all households stated will indeed build their own home, it does point to a markedly higher level of demand than that captured from the Council’s register.

Broader Demand Evidence

12.17 In order to supplement the data from the Council’s own register and the household survey, we have looked to a number of secondary sources as recommended by the PPG including *the Buildstore* and NaCSBA. It should be highlighted however that, although a material consideration, secondary

²⁵ ‘Survey of Self Build Intentions 2016’ – this survey questioned nearly 2,000 people about their self-build ambition and activity

²⁶ Total of households who stated that they were likely to move to a different home

sources of data are not directly comparable to demand identified through a Council's Self-Build Register.

12.18 The Buildstore, which owns and manages the largest national database relating to the demand and supply for self and custom build properties in the UK has provided us with further information on potential demand. The Buildstore holds two databases, including:

- The Buildstore Custom Build Register: this is the UK's longest running record of demand for self-build and custom build homes. It is marketed as a register that will be used to evidence demand for custom build across the UK and demonstrate the scale of need and types of homes those registered, would like to design and create for themselves and their families; and
- The Buildstore PlotSearch service: this is a free to subscribe PlotSearch service which records opportunities for those looking to find a serviced plot of land to build on.

12.19 Having engaged with Buildstore directly, they have informed us that there are 473 people who are registered as looking to build in Maldon on their Custom Build Register with a separate figure of 430 subscribers to their Plotsearch service which tracks self-build land opportunities. Of the 473 people on the Register, 127 live within the District and all of those subscribed to the Plotsearch service live within the District.

12.20 This again suggests there is potentially additional demand for serviced plots for self-build and custom housebuilding which hasn't yet been reflected on the Council's own self-build register; with around 110 additional registrants on the Buildstore's register. This is largely due to the extensive promotion and marketing from the Buildstore of their own Register.

12.21 Furthermore, NaCSBA has undertaken primary research with Ipsos Mori at a national level which indicate that 1 in 50 of the adult population²⁷ across the country want to purchase a Custom or Self-Build Home over the next 12 months.

12.22 If this is applied to the working population²⁸ of Maldon, this would point to an aspiration for around 1,110 individuals with a desire to build or purchase a self-build home. In other words, this is equal to 2% of the population. Although research-based and more focussed on a desire to build, this again

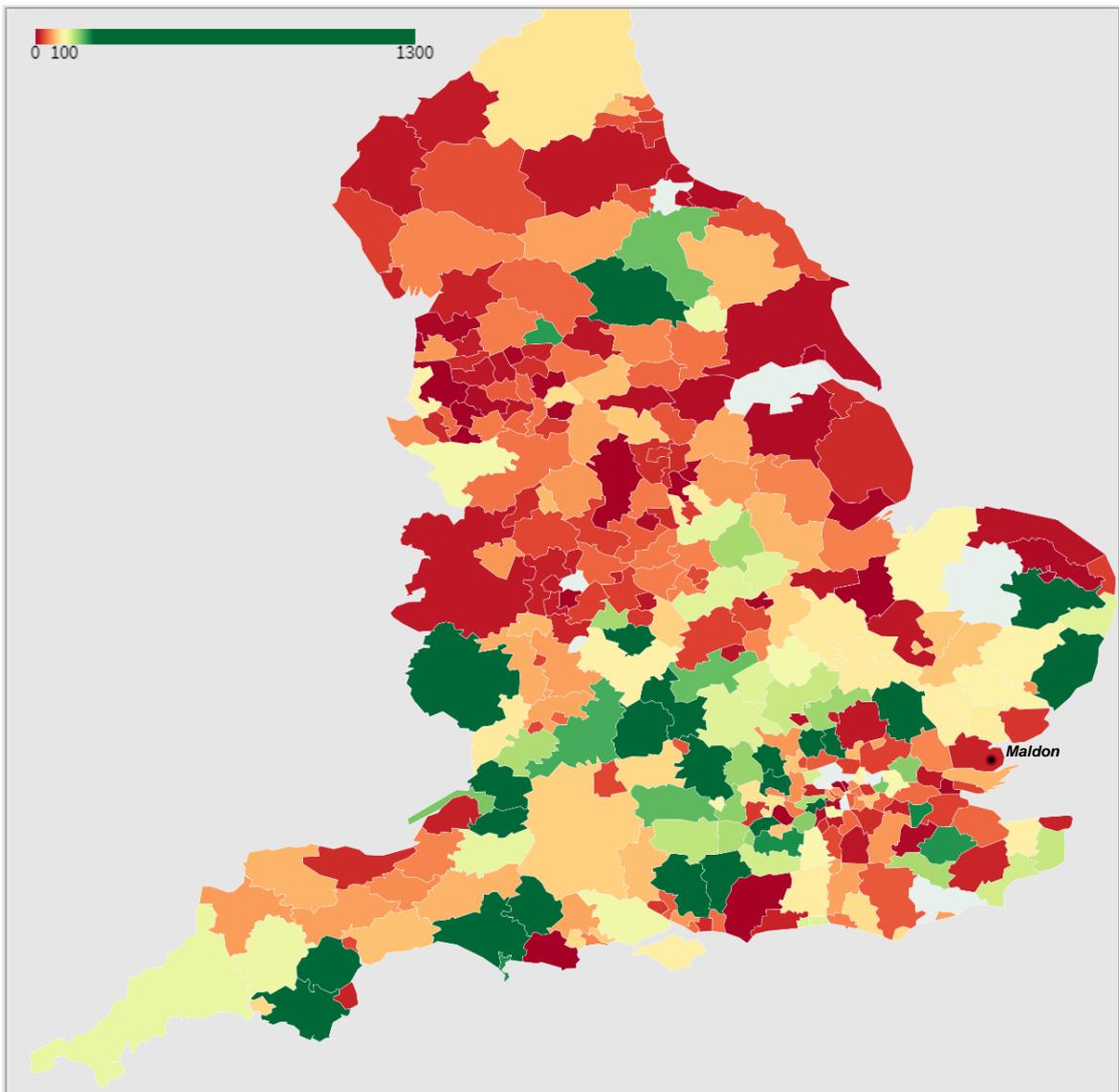
²⁷ Those aged 15 or over; weighted to the known population profile

²⁸ 54,994 persons aged 15 or over on the basis of the 2019 Mid-Year Population Estimates

points to the potential for a greater level of demand than in the District than is currently expressed by the Council's self-build register.

- 12.23 NaCSBA has also recently published a series of maps with commentary titled "Mapping the Right to Build" (2019) which allows us to better understand the demand for serviced plots as a proportion of total population relative to all other local authorities across England. One of the key maps within the report highlights the areas of strongest demand and this is shown in the Figure below.

Figure 12.1: Overall Demand for Self-Build Plots per 100,000 of Population



Source: NaCSBA "Mapping the Right to Build" (2019)

- 12.24 The map demonstrates that Maldon has a very low overall demand per 100,000 of the population. The data which sits behind the map shows that there is demand from 24 persons per 100,000 in Maldon which ranks the District in the bottom 5% of authorities in England. This is however influenced by the data recorded on the Council's Register which is low.

Supporting the Self-Build and Custom Housebuilding

- 12.25 It is clear that there is demand for self-build and custom housebuilding serviced plots of land in Maldon. Over the last four and a half base periods, there has been at total of only 10 individuals entered under Part 1 of the Register; however in respect of other material considerations, there are 127 people registered on the Buildstore's Custom Build Register and around 430 subscribers to PlotSearch as of October 2020 – all of whom live in the District - which points to the potential for a higher level of demand in Maldon.
- 12.26 The Self-Build and Custom Housebuilding PPG²⁹ sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area. There are a number of measures which can be used to support self-build and custom housebuilding including:
- developing a planning policy which supports self-build and custom housebuilding;
 - promoting and encouraging submissions of land which are suitable for self-build and custom housebuilding through the Call for Sites process;
 - using local authority-owned land if available and suitable for self-build and custom housebuilding and marketing it to those on the register; and
 - working with custom build developers to maximise opportunities for self-build and custom housebuilding.

At present, under Policy H2 of the Maldon District Local Development Plan (July 2017), the Council states that where appropriate, it will work with developers, registered providers, landowners and relevant individuals (or groups of individuals) to address identified local need for self-build housing. However, an increasing number of local planning authorities have adopted *specific* self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply.

- 12.27 A specific policy would typically require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots and/or allocation of sites solely for the use. This is often known as the “Teignbridge Rule” after the first District Council to adopt the first self-build policy. In this instance, 5% of all developable housing land is allocated for custom and self-build on larger sites. This proportion could be applied to sites of 20 homes or more.
- 12.28 In addition to the potential for a proportional requirement for self-build housing, Iceni consider that in order to respond to demand in the sector, and in response to the PPG's requirements, the Council

²⁹ Paragraph: 025 Reference ID: 57-025-201760728

should support also support, through policy, the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Self-Build and Custom Housebuilding: Summary

Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Since the introduction of the Council's self-build register on 1st April 2016, there have been a total of 10 individuals entered under Part 1 of the Council's Register.

Separately however, there are 127 people registered on the Buildstore's Custom Build Register and 430 subscribers to PlotSearch as of October 2020 – all of whom live in the District. The household survey has also captured a substantially higher number of households with intentions to build their own home, despite a large proportion not being on the Council's register. Taken together, this points towards the potential for a higher level of demand than that gathered from the Council's self-build register.

The PPG³⁰ sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.

Iceni recommend that the Council should consider drafting a specific planning policy for self-build housing which addresses opportunities for self-build housing on large and small site opportunities.

The former could be addressed through the application of a version of the Teignbridge Rule. In respect of the latter, the Council should support also support, through policy, the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

The Private Rented Sector: Build to Rent

- 12.29 In the context of the private rented sector's growth over the last 20 years and a national housing shortage, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage "Build to Rent" development.

³⁰ Paragraph: 025 Reference ID: 57-025-201760728

12.30 The Housing White Paper (February 2017) was clear in 2017 that the Government wanted to build on earlier initiatives to attract new investment into large-scale scale housing which is purpose-built for market rent i.e. Build to Rent. At that time, the Government set out that this would drive up overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.

12.31 This was realised through the publication of the revised Framework (February 2019) which recognises the emergence of the strength of the private rented sector. The Framework (paragraph 61) says the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including **those people who rent their homes** (as separate from those in affordable housing need). The Framework's glossary also introduces a definition for Build to Rent development, thus recognising it as a sector:

“Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development”.

12.32 It represents development which is constructed with the intention that it will be let (rather than sold). The benefits of Build to Rent are strong and are best summarised in the Government's A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are which ranging but can include:

- Helping local authorities to meet demand for private rented housing whilst increasing tenants' choice “as generally speaking tenants only have the option to rent from a small-scale landlord”.
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income focused business model;
- Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build for sale and affordable housing; and
- Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

12.33 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

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- 12.34 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. According to the latest research by Savills³¹, as at Q4 2019, over 40,000 Build to Rent homes have now been completed across the UK. Across the country, the entire sector has grown by 15% since Q4 2018 and in real terms, this amounts to over 20,000 additional Build to Rent homes.
- 12.35 In terms of age profile, research by JLL³² focused on Build to Rent case studies identified that the average age of tenants falls within the range from 25 to 35 years old with an average tenant age of 31. Occupiers are above average earners (equal to some 30% above the UK median full time salary), seeking apartments or flats in urban conurbations, together with 'satellite' towns near to or commutable to the centres of employment.
- 12.36 At the time of writing there is currently no build-to-rent development which has come forwards in Maldon. This is common for areas away from the major cities. To sustain purpose-build schemes requires a critical mass of private rented tenants.
- 12.37 In Maldon District, the private rented sector is relatively modest in size at around 10% of the housing stock and this is likely to limit developer interest in Build to Rent schemes in the short-term. Only in the sub-areas of Maldon and Southminster and Burnham-on-Crouch did the private rented sector exceed 10% of all housing stock in 2011 when the last Census was undertaken, with levels still being modest.
- 12.38 The PPG on Build to Rent recognises that where a need is identified that local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent. On the basis of our analysis of the private rented sector in Section 3 as well as this sub-section, there is not a clear need for a Build to Rent product in the District.
- 12.39 In preparing a new Local Plan, the Council may however seek to include a policy on Build-to-Rent development in order to set out parameters regarding how schemes would be considered, and how affordable housing policies would be applied should this form of development come forward. This is considered appropriate in order to futureproof the Local Plan.
- 12.40 Given that this is a relatively embryonic sector, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development. The Framework's definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements

³¹ Savills UK Build to Rent Market Update (2020)

³² JLL Evaluating Build to Rent Performance (2018)

of three or more years and will typically be professionally managed stock in single ownership and management control. It would be appropriate for the Council to adopt a consistent definition.

12.41 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector across the District. The viability of Build to Rent development will however differ from that of a typical mixed tenure development: returns from the Build to Rent development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are completed.

12.42 There is potential for a proportion of Build to Rent units to be delivered as ‘affordable private rent’ housing. Planning Practice Guidance³³ states that:

“The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”

12.43 The Council should have regard to the specific Planning Practice Guidance on Build-to-Rent development; with the starting point therefore that 20% affordable private rented homes at a discount of 20% to local market rents should be included within a development scheme.

Build to Rent: Summary

³³ ID: 60-002-20180913

The private rented sector has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Since 2011, the private rented sector has been the second largest housing tenure in England behind owner-occupation, overtaking social housing.

In the District, the private rented sector is not of a significant size accounting for around 10% of all stock at the point of the 2011 Census with only Maldon and Southminster and Burnham-on-Crouch exceeding these levels – although only marginally.

Over recent years, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage “Build to Rent” development.

There is currently no Build to Rent development in Maldon which is typical beyond the UK’s major cities including areas with high proportions of private renters and high rental values.

Nevertheless, the Council may seek to include a policy on Build-to-Rent development in order to set out parameters regarding how schemes would be considered, and how affordable housing policies would be applied should this form of development come forward. This is considered appropriate in order to futureproof the Local Plan.

Given the nature of the sector, the Council are advised to align policy requirements to national guidance.

Community-Led Housing

- 12.44 As part of diversifying the housing market, there is potential for community-led housing schemes, including co-living/buying schemes to come forward, and to contribute positively to housing delivery in Maldon and to addressing affordability issues. There are various sub-categories to this form of housing, which we consider in turn below.

Co-Living

- 12.45 The concept of co-living in its modern form of housing is relatively new, and whilst it is not specifically defined in the Framework, it is often used as part of a wider definition relating to a type of intentional community where residents share living space and a set of interests, values and/or intentions. Traditionally co-living has ranged from the coming together of space, time and resources for activities (for example meals and discussion in the common living areas) through to shared workspace and collective endeavours such as living more sustainably (such as eco-centred villages).

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- 12.46 Over recent years, media interest in co-living has in part been driven by the pressures faced by the millennial generation and the potential to provide communal living driven by affordability and a transient, social oriented young professional resident in high cost locations. Traditionally the idea of co-living through sharing of rented housing is not a new idea and has long operated across the country. In this context, co-living can encompass many structural forms.
- 12.47 In its current form, modern co-living in the UK tends to be urban focused and integrated into a single building, house, or apartment, a sharing of amenities, and a demographic trend towards 20 to 30 something professionals. As a market segment, this is most well developed currently in London where companies such as The Collective, Roam, Fizzy Living and Lyvly are actively adopting a 'WeWork' style model to housing based on a new renting approach for the Capital that offers private bedrooms, shared common spaces and community events, and an all-inclusive rent.
- 12.48 It remains to be seen whether this housing concept has any realistic potential beyond the larger, higher cost urban centres such as London, with a recognition that the modern concept of co-living is often viewed as an extension of managed student accommodation for younger professionals without dependants.
- 12.49 Many of the existing co-living examples tend to be large city schemes with studies indicating that whilst the sharing of space is deemed more acceptable, especially by city dwellers, the model of co-living needs to carefully consider the scale of provision balanced alongside personal space needs and privacy.
- 12.50 In advance of understanding the full economic impacts of Covid-19, it can only be speculation to suggest that we are likely to see working patterns change permanently and traditional economic structures – including business “centres” – change significantly. However, Icenl consider that this form of housing provision has greater potential in Maldon as a result – although, it is likely to be of small scale in the short-to-medium term, if schemes do indeed come forwards.
- 12.51 The current co-living business model and characteristics draw on a large base of transient younger, high skilled professional households and individuals (particularly those without dependents) which is not currently a predominant characteristic of household growth in Maldon. The District has a higher proportion of those of retirement age as well as residents with a lower skills base when compared to the regional and national comparatives.
- 12.52 As a result, it is likely that a notable shift in the dynamics of how we live and work would be necessary to see this form of housing have a significant role in the District's housing market, which is plausible.

Co-Buying

- 12.53 The increased costs of housing and associated affordability challenges have led to a growth in co-buying over recent years whereby a pooling of resources allows for individuals, typically friend(s) or family member(s), to collectively purchase a property which ordinarily would likely not have been possible.
- 12.54 A number of national financial lenders have launched relevant group mortgage products to support buyers get a foot on the property ladder. It is increasingly an option for millennials and those already in a house sharing rental environment.
- 12.55 It remains however relatively uncommon with certain lenders limiting the number of people, typically two, to a group mortgage whilst the model is not without its risks, including where a co-buyer seeks to move on. The concept is likely to remain an attractive option for some although overall there are considered limited implications if any from a planning or housing policy perspective.

Community-led Housing

- 12.56 The concept of Community-Led Housing is not a new concept. There are case studies of community groups forming over a decade ago to drive forward community-led housing development. The Government has since reacted; with the enactment of the Localism Act 2011 which introduced new rights for communities and set the Government's context for the recent growth in community-led housing.
- 12.57 There has also been funding packages announced by the Government, including the Government's Community Housing Fund, first announced in March 2016 and extended in 2017, which has since distributed £60 million a year to local authorities across the country as at 2018/19 to support community-led housing.
- 12.58 Community-led housing are typically housing schemes through which:
- a local community group or organisation owns, manages or stewards the homes as they choose;
 - benefits to the local area and/or a specified community of interest are achieved which are clearly defined and protected in perpetuity via a legal asset lock; and
 - community engagement and consent are embedded throughout the process, which may involve the community initiating/managing the development process or building the homes.
- 12.59 The term 'Community-Led Housing' is therefore a broad one and it is considered that no community-led housing project is ever the same. The projects can be delivered in a number of ways which often overlap with each other to include:

12.60 Community Land Trusts (“CLTs”) - provide affordable homes for local people in need, for rent or shared ownership, through the acquisition of land which is held as a community asset in perpetuity;

- Cooperative housing - groups of people who provide/collectively manage, via a democratic membership basis, affordable homes for their use as tenants or shared owners;
- Co-housing - groups of like-minded individuals who come together and provide self-contained private homes for their use but share management and activities, often in a communal space;
- Self-help housing – based on small, community-based organisations bringing empty properties back into beneficial use (often with a strong focus on construction skills/training/support);
- Community self-build - groups of local people building their homes with external support and managing the process collectively (individual self-build is not typically regarded as community-led housing).
- Tenant management organisations – collective responsibility for social housing tenants to manage and maintain the homes (via agreement with their council or housing association landlord).

12.61 Community-led housing is typically characterised by relatively small scale schemes, often of less than 20-25 units in rural areas, although many schemes in urban areas are significantly larger, with schemes set up and run as not for profit community based organisation driven by local volunteers and often supported by external organisations, for example housing associations, local authorities or regional and national support organisations.

12.62 The schemes can provide affordable homes for rent, shared ownership or sale, typically on sites which are less attractive to the development industry; and ensure the long-term protection for local people in housing need through legal and/or financial controls.

12.63 Over recent years, community-led housing has been driven by CLTs with over 320 registered in England and Wales and encouraged by government funding. However, there are currently no active CLTs in Maldon District.

Rural and Entry-Level Exception Sites

12.64 The Framework (paragraph 71) identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless such needs are already being met within the authority’s area.

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- 12.65 The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the Framework's Glossary. It also states that such entry-level exception sites should be adjacent to existing settlements and proportionate in size to them. In this respect, Footnote 33 indicates that entry-level sites should not be larger than 1 ha or exceed 5% of the size of the existing settlement.
- 12.66 In response form of affordable housing, we would recommend that the Council develop a policy which recognises the role of entry-level exception sites on suitable land, drawing on the clear set of criteria set out in the Framework in order to avoid ambiguity around the difference between rural exception sites and entry-level exception sites through decision-making.
- 12.67 The Framework (paragraph 77 and the Glossary) makes clear that rural exceptions sites are different to entry-level exception sites. The Framework (Annex 2) defines rural exception sites as: "small sites used for affordable housing in perpetuity where sites would not normally be used for housing.
- 12.68 Separate to entry-level exception sites, 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. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where "essential to enable the delivery of affordable units without grant funding".
- 12.69 The Framework (paragraph 77) confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this.
- 12.70 The purpose of rural exception site development is to recognise that more rural communities need new housing to help maintain their vitality and also to assist residents to find accommodation that meets their changing needs.
- 12.71 For younger individuals and households this includes offering genuine opportunities to secure affordable housing in the area where they have grown up. Rural exception housing therefore offers a policy and financial mechanism by which the choice and mix of accommodation available to younger age groups can help support access to appropriate housing. Rural exception sites do also offer opportunities for the ageing population; with the ability for provide for individuals wishing to downsize amongst other avenues.
- 12.72 Rural exception sites have the advantage of giving people with a local connection and where there is an identified local housing need, a priority in the affordable housing allocation process. Homes are offered first and foremost to households in the parish within which it is located. The development and occupancy of rural exception sites is controlled through a S106 legal agreement. This agreement

ensures that the dwellings on the exception site are affordable in perpetuity and have occupancy clauses.

12.73 The affordable housing provided on rural exception sites should only be used to meet a clearly identified local housing need and a community will need to demonstrate through a local housing needs survey that there is a localised need. The results of the survey should demonstrate that there are people living in the parish/village who are in housing need and are unable to compete in the general housing market (to rent or buy) due to the low level of their income.

12.74 In contrast on ‘entry level exception sites’ there is no requirement for an applicant to demonstrate a local need. What is required is evidence that there is an unmet need for entry-level housing to rent or buy at the local authority level. Entry-level schemes must however deliver 100% of homes as affordable housing.

12.75 The Maldon Local Plan under Policy H5 sets out a process which rural exceptions schemes in the District must adhere to. It recognises that small number of market housing may be allowed at the Council’s discretion where this would facilitate the provision of significant additional affordable housing to meet local needs. In summary, the process set out is as follows:

- Engage with the local community and undertake a local housing needs assessment
- Select and appoint a suitable registered provider of affordable housing in association with the Council
- Agree with the Council the quantum and composition of development – based on need, site availability and an open book viability assessment
- Identify a number of potential sites in the local area and select the most sustainable site

12.76 Icenis has sought to consider the effectiveness of this policy by considering schemes which have come forward under this policy since the beginning of the plan period. The Table below sets out the relevant housing developments since 2014/15.

Table 12.3 Approved Rural Exception Schemes, Maldon 2014-2020

Address	Year of Approval	Market	Affordable Rented	Shared Ownership	Discount Market Sale	Total Affordable
South Street, Tillingham	2016/17	8	7	2	0	9
Mackmurdo Place, Wickham Bishops	2017/18	4	8	2	2	12

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- 12.77 As is clear from the Table above, a total of two schemes have come forward as rural exception schemes under Policy H5 which have delivered 21 affordable homes. It is notable however that in both instances, an element of market housing has been required. The scheme at Mackmurdo Place managed to deliver a higher proportion of affordable housing equal to 75% whilst the scheme at South Street only secured 47% as affordable housing.
- 12.78 Although in numbers terms there has not been a substantial impact of Policy H5 following its adoption in 2017, it is important to bear in mind that rural exception-sites come forward on land where housing development would not normally be permitted. Policy H5 which incorporates an element of flexibility through the provision of market housing is therefore clearly serving a role in bringing forward suitable development.
- 12.79 Looking forward, the Council should continue to highlight and strongly promote the benefits of exception sites to encourage housing opportunity for younger households and family households connected to rural areas. The Council should also explore the opportunity to deliver joint self-build and affordable housing schemes on rural exception sites.
- 12.80 The Government has confirmed its commitment to introduce a First Homes Exception Sites Policy encouraging delivery of First Homes at a minimum 30% discount to open market values. This will replace the Entry-Level Exception Sites Policy.
- 12.81 This amended policy will allow a small proportion of other affordable homes to be delivered on these sites; together with a small proportion of market homes to ensure viability. It will not apply in designated rural areas. The Government proposes to amend the site size threshold but retain the requirement related to settlement size. At the time of writing, the Government intends to make changes to national planning policy through the laying of a Written Ministerial Statement in Parliament and will provide further detail through new PPG.

Rural Housing Needs: Summary

The Framework (paragraph 71) identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home). The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the Framework's Glossary.

Rural exceptions sites are different to entry-level exception sites. The Framework (paragraph 77) confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this.

The Maldon Local Plan under Policy H5 sets out a process which rural exceptions schemes in the District must adhere to. It recognises that small number of market housing may be allowed at the Council's discretion where this would facilitate the provision of significant additional affordable housing to meet local needs.

Since the beginning of the plan period in 2014, two schemes have come forward as rural-exception sites in the District providing for mixed-levels of affordable housing provision as well as a range of tenures – including an element of market housing provision.

The Council should continue to highlight and strongly promote the benefits of exception sites to encourage housing opportunity for younger households and family households connected to rural areas. The Council should also explore the opportunity to deliver joint self-build and affordable housing schemes on rural exception sites.

Separately, in the context of the revised Framework, it is considered that a separate planning policy should be developed which supports entry-level exception housing subject to the qualifying criteria; given this is fundamentally a different proposition to rural exception sites.

13. RECOMMENDATIONS AND CONCLUSIONS

- 13.1 This section sets out the conclusions and recommendations arising from the preceding sections of this report.

Local Housing Need

- 13.2 The Government's current standard method for assessing housing need takes 2014-based Household Projections and applies an upward adjustment based on the median house price to earnings ratio.
- 13.3 Applying the standard method in Maldon District results in a minimum local housing need of 308 homes per annum.
- 13.4 A review of recent demographic data, including up-to-date projections and a range of data about past trends does not suggest that there is a strong case for the Council to move away from the standard method figure (in either an upward or downward direction).
- 13.5 In line with the PPG, the report has considered wider factors in assessing housing need including growth funding and strategic infrastructure improvements as well as affordable housing need; however, we do not find clear evidence necessitating an uplift in housing need above the standard method derived local housing need figure.
- 13.6 The report has also considered whether the economic scenarios set out in the Maldon Economy Study (January 2021) would justify a figure over and above the standard method. Our analysis has found that the standard method would support sufficient labour supply growth for any of the economic scenarios set out by the Economy Study.

Affordable Housing

- 13.7 The report includes an updated assessment of affordable housing need which responds to the widened definition of affordable housing set out in the Framework. This includes households who might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so.
- 13.8 The assessment shows an annual need for 174 rented affordable homes in Maldon and the Council is therefore justified in seeking to secure additional affordable housing. A breakdown is provided below by sub-area with a need shown in each area.

Table 13.1 Affordable Rented Need to 2040, Maldon

Affordable Rented	Net Need (p.a.)
Heybridge & Langford	26
Maldon	35
Rural East	14
Rural North	31
Rural South	30
Southminster BoC	38
Maldon District	174

- 13.9 The assessment has also sought to take account of the difference in size of each sub-area with regards to affordable housing. The Table below does this by comparing the estimated annual level of affordable need with the population in 2018. The analysis has shown the highest need to be in Rural East (standardised as 3.23 dwellings per 1,000 people), although the range in this rate between areas is not substantial.

Table 13.2 Affordable Rented Need to 2040, Standardised

Affordable Rented	Need per 1,000 (p.a.)
Heybridge & Langford	2.97
Maldon	2.38
Rural East	3.23
Rural North	2.55
Rural South	2.47
Southminster BoC	3.06
Maldon District	2.70

- 13.10 The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable, particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit.
- 13.11 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- 13.12 The report has also assessed the potential scale of need for affordable home ownership housing, identifying that there is no real need for affordable home ownership products per annum across the study area. This is shown in the Table below.

Table 13.3 Affordable Home Ownership Need to 2040, Maldon

Affordable Home Ownership	Net Need (p.a.)
Heybridge & Langford	6
Maldon	6
Rural East	2
Rural North	7
Rural South	10
Southminster BoC	5
Maldon District	35

- 13.13 When looking at the need for affordable home ownership products it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. The analysis does suggest a shortfall in AHO of 35 homes per annum; however, this is much lower than the need for rented affordable homes.
- 13.14 Nevertheless, it does seem that there are many households in Maldon who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the District – particularly for younger households - is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potential mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of mortgage payments.
- 13.15 The evidence does not show any basis to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF and indeed does provide evidence that the 10% figure could be challenged if the Council wished to do so.
- 13.16 Where other forms of affordable home ownership are provided (e.g. Starter Homes or discounted market), it is recommended that the Council considers setting prices at a level which (in income terms) are equivalent to the midpoint between the levels needed to access private rented housing and to access equivalent housing to buy.
- 13.17 This would ensure that many households targeted by the new definition could potentially afford housing – this might mean greater than 20% discounts from Open Market Value for some types/sizes of homes in some locations.
- 13.18 In August 2020, Government confirmed its desire to introduce a new tenure – First Homes – and it has now committed to this fully. The Government is to introduce further detail through new national planning policy and PPG; however, it has been made clear that this housing should be sold at a discount of at least 30% on Open Market Value and should make up 25% of affordable housing

delivery. Whilst this report has not studied First Homes in detail, it is considered that the 25% (delivery) and 30% (discount) figures may be sound (although the 25% figure could be challenged on the basis of the evidence in this report). The balance of the affordable housing (i.e. 75%) should be provided as rented products (social/affordable rented housing).

13.19 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to be stressed that this report does not provide an affordable housing target in policy terms - the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Older Persons Housing Needs

13.20 The analysis in this report has shown a notable growth in the population of older persons aged 65 and over in Maldon over the period to 2040, with the number of people expected to grow by over 7,600 persons to 2040 equal to 46%.

13.21 Within this, the number of people with a limiting long-term health problem or disability is projected to increase in the District. The specific projections undertaken show an expected increase of those with dementia by 835 persons and with mobility problems by 1,845 to 2040.

13.22 When related back to the total projected change to the population, the increase of 1,800 people with a mobility problem represents 15% of the total projected population growth. The growth shown in those with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations.

13.23 The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

13.24 Some older households, particularly those aged over 75, will require specialist housing provision. The analysis in this section points to a need for 602 units of housing with support to 2040, 501 units of housing with care and 325 units of age-restricted housing. In considering extra-care schemes, there is a need to carefully consider the viability and practical feasibility of delivering affordable housing on-site.

Table 13.4 Specialist Housing Needs, Maldon

Specialist Housing Need		Shortfall/Surplus
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Age-Restricted	Market	65
	Affordable	260
	Total	325
Housing with Support	Market	602
	Affordable	-189
	Total	602
Housing with Care	Market	307
	Affordable	194
	Total	501

- 13.25 The Tables above should be considered as providing a set of parameters for housing need. The ultimate level of provision the Council seeks to support will be influenced by its broader strategy for older persons housing and care, as well as early consultation with Essex County Council.
- 13.26 The analysis in this report also identifies a need for around 151 additional care and 446 nursing home bedspaces to 2040. These will fall within a C2 use class and should be treated as maximum figures.
- 13.27 It is important that the council's planning policies support the delivery of specialist housing, in particular extra care schemes. A notable by-product of doing so will be the release of existing mainstream housing, including family housing, for other groups within the population.
- 13.28 In particular, for schemes with higher levels of care provision, consideration should also be given to whether it is practical to manage market and affordable provision within a single development. This may be influenced by the nature of the site and scheme.
- 13.29 In addition, a need for 566 dwellings from wheelchair users in Maldon, equivalent to 11% of the total housing need. Icen consider that it would be appropriate to seek provision as part of major new-build schemes, subject to support from viability evidence studies and evaluation on a site-by-site basis.
- 13.30 Taking the evidence together, there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing.
- 13.31 The Council should consider requiring all dwellings in all tenures to meet the M4(2) standards as a starting point - which are similar to the Lifetime Homes Standards - and at least 10% of homes meeting M4(3) – wheelchair user dwellings (with a higher percentage for affordable housing).

Needs for Different Sizes of Homes

- 13.32 Understanding the existing housing mix in the District is important in considering what future mix of housing is appropriate to deliver a mixed and balanced community. This is important at both a strategic, and at a local, level.
- 13.33 The analysis in this report shows that the profile of housing in the owner-occupied sector, the data shows that Maldon has a relatively high proportion of 4+-bedroom homes when compared with other locations, with both 2- and 3-bedroom dwellings showing lower proportions than any of the other areas studied including Essex, the East of England and England.
- 13.34 In the private rented sector, the analysis suggests that the stock is fairly balanced in comparison with other areas, with very similar proportions of all sizes of accommodation as seen across the range of areas studied.
- 13.35 In the social rented sector, the analysis again suggests a similar profile to other locations, although the relatively low proportion of homes with 4+-bedrooms is notable (only 2% of the stock compared with 4% elsewhere).
- 13.36 Taking into account the current housing stock and expected demographic trends – including the expectation that some older households will downsize if the right properties are available, this report points towards a need for different sizes of homes in the market and affordable sectors which are reflected in the table below.

Table 13.5 **Need for Different Sizes of Homes, Maldon**

	1 Bed	2-Beds	3-Beds	4+ Beds
Market	Up to 10%	25-35%	40-50%	15-25%
Affordable Ownership	15-25%	35-45%	25-35%	5-15%
Affordable Rented	30-40%	30-40%	20-30%	Up to 10%

- 13.37 IcenI recommend that this table informs negotiations regarding the mix of housing to be delivered on individual development sites and is incorporated into planning policy. Whilst there were some differences between sub-areas considered in our assessment, it is not considered that they are substantial enough to suggest a different mix of housing as being needed in different areas. That said, the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that drawn from the Housing Register.
- 13.38 Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There is also likely to be strong demand for medium-sized properties (2- and 3-beds)

from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

- 13.39 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure) which recognises that Maldon currently has a relatively high stock of 3-bedroom social rented homes.
- 13.40 The recommendations can be used as a set of guidelines to consider the appropriate mix on larger development sites, and Iceni consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

Younger Households and First-Time Buyers

- 13.41 Over the 2020-40 period, the number of younger households is expected to increase by 21.5% in Maldon equal to an increase of 921 younger households or 15% of the total expected household growth.
- 13.42 In Maldon, lower quartile house prices have now risen to 11.3 times typical earnings of younger households. Notably, the LQ affordability ratio has worsened year-on-year since 2013 and entry-level affordability is clearly at a level which points to significant barriers for younger households seeking to buy a home.
- 13.43 The formulation of a Help to Buy scheme post-2021 – which has played a role in helping younger households in the District since 2013 – solely for first-time buyers does offer some certainty that this form of housing market intervention and support will continue for the foreseeable future.
- 13.44 Ultimately however, in absolute terms, the level of deposit required in order to secure a market housing purchase has increased substantially linked to increasing sales prices over time and to the ability of individuals/family households ability to save a sufficient amount of income for the deposit. The affordability of housing to buy, and the ability of younger households to access it has deteriorated in recent years; and is now out-of-reach of many younger households.
- 13.45 A strategy which draws on a number of measures is needed to address the needs of younger households, including most importantly promoting the delivery of affordable housing through planning policy – and in particular affordable home ownership (including First Homes) and shared ownership products which provide an avenue for younger households to get onto the property ladder without significant deposit requirements.

Families

- 13.46 The proportion of households with dependent children is slightly lower than the regional and national average. Projecting forward, there is expected to be an increase in the number of households with dependent children – increasing by 26% over the 2020-40 period – over half of this increase is projected to be within households with one dependent child).
- 13.47 The delivery of family sized housing remains a requirement in both urban and rural locations of the District. This includes providing family housing in the widest possible choice and mix of housing locations including town centres, and through the sustainable expansion of rural and smaller settlements (particularly helping to support economic and social vitality).
- 13.48 It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and consideration of the operation of the market. There may still be limitations as to the affordability of larger properties in the context of continued growth in sales prices evident across the District in recent years.
- 13.49 In more rural areas, the opportunity to broaden and secure a choice and mix of family sized accommodation alongside smaller accommodation should be explored in order to diversify the market and provide for local housing demand. Whilst in towns, subject to the availability of land, the provision of family-sized accommodation should be supported.

Student Housing Needs

- 13.50 There is no higher education establishment in Maldon District. There is one campus forming part of a higher education establishment situated in the wider recommended HMA – Anglia Ruskin University's Chelmsford Campus. The University of Essex is also located in close proximity and draws on students from the District.
- 13.51 According to 2011 Census data, there were 955 full-time students aged 18 and over in Maldon District. This number grew over the last two Census points; however, the vast majority of students are either living with parents – and therefore most likely commuting to higher and further education establishments outside of the District – or living with a partner or in a family household.
- 13.52 As a result of the modest number of students in the District and the accommodation status of these students, our analysis does not suggest a need for a substantive policy intervention or that any purpose built student housing provision is necessary over the plan period.

Self-Build and Custom Housebuilding

- 13.53 Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Since the introduction of the Council's self-build register on 1st April 2016, there have been a total of 10 individuals entered under Part 1 of the Council's Register.
- 13.54 Separately however, there are 127 people registered on the Buildstore's Custom Build Register and 430 subscribers to PlotSearch as of October 2020 – all of whom live in the District. The household survey has also captured a substantially higher number of households with intentions to build their own home, despite a large proportion not being on the Council's register. Taken together, this points towards the potential for a higher level of demand than that gathered from the Council's self-build register.
- 13.55 The PPG sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.
- 13.56 Icenl recommend that the Council should consider drafting a specific planning policy for self-build housing which addresses opportunities for self-build housing on large and small site opportunities.
- 13.57 The former could be addressed through the application of a version of the Teignbridge Rule. In respect of the latter, the Council should support also support, through policy, the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Build to Rent Development

- 13.58 The private rented sector has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Since 2011, the private rented sector has been the second largest housing tenure in England behind owner-occupation, overtaking social housing.
- 13.59 In the District, the private rented sector is not of a significant size accounting for around 10% of all stock at the point of the 2011 Census with only Maldon and Southminster and Burnham-on-Crouch exceeding these levels – although only marginally.
- 13.60 Over recent years, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage "Build to Rent" development. However, there is currently no Build to Rent development in Maldon which is typical

beyond the UK's major cities including areas with high proportions of private renters and high rental values.

13.61 Nevertheless, the Council may seek to include a policy on Build-to-Rent development in order to set out parameters regarding how schemes would be considered, and how affordable housing policies would be applied should this form of development come forward. This is considered appropriate in order to futureproof the Local Plan.

13.62 Given the nature of the sector, the Council are advised to align policy requirements to national guidance.

Rural Housing Needs

13.63 The Framework (paragraph 71) identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home). The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the Framework's Glossary.

13.64 Rural exceptions sites are different to entry-level exception sites. The Framework (paragraph 77) confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this.

13.65 The Maldon Local Plan under Policy H5 sets out a process which rural exceptions schemes in the District must adhere to. It recognises that small number of market housing may be allowed at the Council's discretion where this would facilitate the provision of significant additional affordable housing to meet local needs.

13.66 Since the beginning of the plan period in 2014, two schemes have come forward as rural-exception sites in the District providing for mixed-levels of affordable housing provision as well as a range of tenures – including an element of market housing provision.

13.67 The Council should continue to highlight and strongly promote the benefits of exception sites to encourage housing opportunity for younger households and family households connected to rural areas. The Council should also explore the opportunity to deliver joint self-build and affordable housing schemes on rural exception sites.

13.68 Separately, in the context of the revised Framework, it is considered that a separate planning policy should be developed which supports entry-level exception housing subject to the qualifying criteria; given this is fundamentally a different proposition to rural exception sites.