

Peacehaven & Telscombe

Housing Needs Assessment (HNA)

December 2021

Quality information

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List of acronyms used in the text:

HNA Housing Needs Assessment

HRF Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)

HLIN Housing Learning and Improvement Network

HRP Household Reference Person

LHN Local Housing Need

LPA Local Planning Authority

MHCLG Ministry for Housing, Communities and Local Government (formerly DCLG)

NA Neighbourhood (Plan) Area

NP Neighbourhood Plan

NPPF National Planning Policy Framework

ONS Office for National Statistics

PPG Planning Practice Guidance

PRS Private Rented Sector

RQ Research Question

SHMA Strategic Housing Market Assessment

VOA Valuation Office Agency

1. Executive Summary

1. Peacehaven & Telscombe is a Neighbourhood Plan area located in Lewes District, East Sussex. The Neighbourhood Area (NA) boundary comprises the two parishes of Peacehaven and Telscombe and was designated in 2013.
2. The proposed Neighbourhood Plan period starts in 2021 and extends to 2030, the end date being consistent with the adopted Local Plan, therefore comprising a planning period of 9 years. The evidence supplied in this report will look forward to the Plan end date of 2030, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. In 2011 the NA had a total of 21,544 residents, formed into 9,410 households and occupying 9,694 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Peacehaven and Telscombe is 23,371 – indicating population growth of around 1,827 individuals since 2011 (growth of 228 people each year). If the average household size is maintained from the Census 2011, this implies household growth of 100 households each year. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
4. The Valuation Office Agency data shows that there were 10,030 dwellings in the NA in 2020, an increase of 336 dwellings since the Census 2011, an average of 37 dwellings each year added to the stock. This is substantially lower than the estimated level of household growth based on mid year population projections.

Quantity of Housing to Provide

5. The NPPF 2021 requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
6. Lewes District has fulfilled that requirement by providing Peacehaven & Telscombe with figure of a minimum of 255 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.¹ This figure is in addition to the strategic allocation of 450 homes in Peacehaven at Lower Hodden Farm and completions (332 homes) and commitments (189 homes) in the early years of the Local Plan period in the two parishes. In total, over the Local Plan period 2010-2030, Peacehaven & Telscombe is expected to deliver 1,224 new homes. The Neighbourhood Plan is concerned with the delivery of a minimum of 255 homes by 2030.
7. It is relevant to note that Lewes District Council is at an early stage in reviewing the Local Plan and has recently consulted on the Issues and Options document (July 2021). The

¹ As confirmed in the Lewes District Local Plan Part 1

housing requirement for Lewes and its neighbourhood areas may change in the future as the new plan is developed.

Tenure, House Prices and Affordability

8. The majority of households in Peacehaven & Telscombe are home owners (75.7% in 2011), higher than both Lewes district (72.7%) and England as a whole (63.3%). The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Peacehaven & Telscombe the private rented sector expanded by 136%, a rate of growth that is above both the growth in Lewes (103%) and the national average (82%). In absolute terms, the growth in the PRS over the 10 year period was almost 1,100 dwellings.
9. National trends since 2011, evident in the English Housing Survey, show that the private rented sector has continued to grow. Growth in England from 2011 to 2018 was 21.9% and it is likely that this trend has been replicated in the NA. AECOM estimates there are around 1,650 private rented households in the NA currently (based on projections to 2018). The expansion of private rented has been underpinned largely by the declining affordability of home ownership.
10. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy.
11. Average prices Peacehaven & Telscombe have increased substantially since 2011. Median average prices have increased by 48% over the period 2011-2020. Lower quartile prices (the cheapest 25% of properties) have increased at a similar rate- just below 50%. In absolute terms, the median average house price is almost £100k more in 2020 than in 2011 with the lower quartile price £87.5k higher than in 2011. This has serious implications for younger and first time buyers who typically access these properties and will need to find both higher deposits and higher incomes to be able to afford to buy.
12. Prices in the wards that make up the NA are broadly cheaper than in Lewes as a whole, with the exception of East Saltdean & Telscombe Cliffs. The implication being that Peacehaven & Telscombe, are likely to be attractive and more accessible locations for households moving out of more expensive areas of Lewes. However, Lewes District and the NA has higher LQ prices than the neighbouring East Sussex Districts. It is less likely that young households and first time buyers will move to the area from these authority areas but moves in from places such as Brighton & Hove are likely, given relatively higher house prices and affordability pressures. Given the greater employment opportunities in Brighton & Hove, these households are also likely to commute out of the NA to jobs elsewhere. A key objective of the Neighbourhood Plan is to support a better balance between jobs and homes in Peacehaven & Telscombe.
13. Average household incomes in Peacehaven & Telscombe were £37,500 in 2018. Lewes District's gross individual lower quartile annual earnings were £14,532 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £29,064. It is immediately clear from this data that there is a large gap between the

spending power of average households and those reliant on lower quartile earnings, particularly where the household in question has one earner only.

14. Local households on average incomes (£37,500) are unable to access even entry-large homes unless they have the advantage of a very large deposit. Households need an income of around £65,800 to afford entry level house prices in the neighbourhood area. The median house price would require an annual income of £77,100, more than double the average income in the NA.
15. Private renting, at entry level rents is affordable to households with average incomes. However, households made up of one or two lower quartile earners cannot afford private rents, assuming they spend up to 30% of their gross income on rent. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and even the ability to afford basic essentials such as food and fuel, and so cannot be assumed to suit all individuals' circumstances.
16. There is a relatively large group of households in Peacehaven & Telscombe who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £39,800 per year (at which point entry-level rents become affordable) and £65,700 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
17. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate. Discounts of 50% are likely to be required to ensure First Homes are affordable to households on average incomes in the NA. Even at this level of discount, these properties may only just be at the margins of affordability for many households on average incomes.
18. Shared ownership appears to demonstrate similar affordability to First Homes; at discounts of 25% and 50% it is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.² If this is delivered in the NA, it will make shared ownership easier to access for more people – to those on incomes of around £32,200. It may be affordable to those on lower quartile earnings where two household members are earning. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
19. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership appear more

² The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

affordable options than Rent to Buy providing the highest discounts can be provided. However, Rent to Buy may be a suitable option within the neighbourhood area given its potential to widen access to home ownership to those who have little or no deposit. First Home and Shared Ownership may not be accessible to these households, even where they have sufficient incomes, whereas Rent to Buy allows households to build up a deposit over time.

20. Affordable rented housing is generally unaffordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such households will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing. The evidence in this report suggests that the social and affordable rented sector performs a vital function in Peacehaven & Telscombe as the only option for a large segment of those in the greatest need.

The Need for Affordable Housing

21. This study estimates that Peacehaven requires around 15 units of affordable rented housing with additional potential demand for 86 units of affordable home ownership each year over the Plan period. Over the 9 year proposed plan period, this would equate to the need for 135 affordable rented homes and potential demand for 774 affordable home ownership homes. The relationship between these figures suggests that priority should be given to affordable home ownership. However, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.
22. If the Local Plan target of 40% were achieved on every site, up to around 100 affordable homes might be expected in the NA by 2030, taking into account the minimum housing requirement of 255.³ If a large proportion of Peacehaven & Telscombe's new housing comes forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower than anticipated. In recent years, delivery of affordable housing in the NA has been substantially below the 40% target. As a result, affordable rented housing is likely to have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. The 75% rented 25% ownership guideline mix in the Local Plan provides an appropriate starting point.
23. AECOM suggest a mix of 60% affordable rented, 40% affordable home ownership in Peacehaven & Telscombe. This maintains the priority for delivering affordable rented

³ Delivery of affordable housing in the NA will also come from other sources. The Local Plan allocated the Lower Hoddern Farm site for 450 dwellings. This is not a Neighbourhood Plan allocation but will deliver affordable housing within the NA. Similarly completions and commitments achieved in the early years of the Local Plan have provided new homes in the NA.

housing but allows for some delivery of other forms of affordable home ownership in addition to the required 25% First Homes component.

24. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be considered in light of wider considerations such as the strategic needs of the District as a whole, viability and the availability of funding for affordable housing.

The Mix of Homes – Type and Size

25. This HNA provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
26. Peacehaven & Telscombe is home to a range of different ages and households types. The number of older people in the population has grown over time, with very limited or no growth in the size of other age groups. The number of older households has not grown as much as might be expected but there has been significant growth in the proportion of households with non dependent children. This has suppressed the formation of single and couple older households. It is likely to have been driven in large part by affordability challenges for younger people.
27. The existing dwelling stock has a bias towards bungalows. The dominance of this house type also means that the largest proportion of homes are 2 and 3 bedroom properties. These properties may occupy large plots, especially detached bungalows, but they often have fewer rooms.
28. There is evidence that the stock of larger properties (4 bed plus) has fallen in recent years and this is likely to be driven by the conversion of larger properties into smaller dwellings. Bungalows on larger plots are likely to provide opportunities for this type of conversion and redevelopment in particular.
29. The proportion of larger (4+ bed) properties in the NA is small compared to the District and England levels. This is likely to restrict opportunities for some family type households to move within or to the area, though affordability of larger properties will also be a significant barrier for some households. The turnover (sales and rent) of smaller properties is higher than their share of the stock however, suggesting the market for smaller homes is more active. This is a common pattern across the country and to some extent indicates the importance of ensuring a good supply of smaller properties.
30. The modelling exercise in this section suggests some prioritisation could be given to the provision of larger properties to address the imbalance in the stock. However, the delivery of a range of property types and sizes is likely to be appropriate given the issues identified with affordability for younger households (previous section) and evidence to suggest that many larger properties have been converted to smaller properties in recent years in response to market pressures.

Specialist Housing for Older People

31. There are around 275 units of specialist accommodation within the NA. This only includes specialist housing for older people, including age restricted and retirement homes and a small number of extra care properties. It is relevant to note that the substantial stock of bungalows within the area are likely to provide suitable accommodation for some older people, particularly where adaptations have been made. It also does not include residential or nursing care homes as these are not defined as housing.
32. The majority of schemes are age restricted or retirement accommodation which do not include on site management. Only one scheme is defined as extra care where 24 hour care and support is available on site.
33. The majority of the 275 specialist units are social rented. There are 85 leasehold units. Given that the vast majority of older households are home owners, the small supply of ownership opportunities in this sector is likely to limit choice for these households. However, it is important to keep in mind that these households have options within the mainstream housing stock, providing suitable care and support can be provided in this setting.
34. The older population in the NA is relatively large, compared to England as a whole, and expected to grow over the plan period. There is some uncertainty over the scale of growth which might be expected. Household projections applied to the NA expect an additional 1,337 people aged 75 and over between 2011-2030. However, ONS population estimates at the parish level estimate more modest growth of around 310 people between 2011-2019. If this rate is maintained, a similar growth might be expected between 2021-2030 (the plan period).
35. Two estimates of the future need in Peacehaven & Telscombe produce a range of 159 to 232 specialist accommodation units that might be required during the Plan period 2021-2030. These estimates are based on the projected growth of the older population, assuming that today's older households are already appropriately accommodated. There is some uncertainty about the scale of need for specialist housing for older people therefore. Nevertheless, there is need for additional specialist accommodation to meet growth in the older population and, in particular, to provide choice to older households with care and support needs.
36. There is unlikely to be the volume of additional specialist supply during the Plan period on the scale that these estimates suggest might be required. However, another avenue open to the Neighbourhood Plan is to require standards of accessibility and adaptability in new development and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
37. There is no policy in the current adopted Local Plan which sets targets or requirements for the proportion of new housing that might be required to meet option building regulation standards for accessibility and adaptability (Category M4(2)), or for

wheelchair users (Category M4(3)). The evidence gathered here would justify applying such a target in the Neighbourhood Plan if this approach has the support of the LPA.

38. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category, evidence from a household survey or by applying national rates of wheelchair use.
39. It is considered that Peacehaven & Telscombe is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and considerations of cost-effectiveness. The presence of a number of existing schemes supports this conclusion. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Peacehaven & Telscombe in other suitable locations near to but outside the Plan area boundaries).

2. Context

Local context

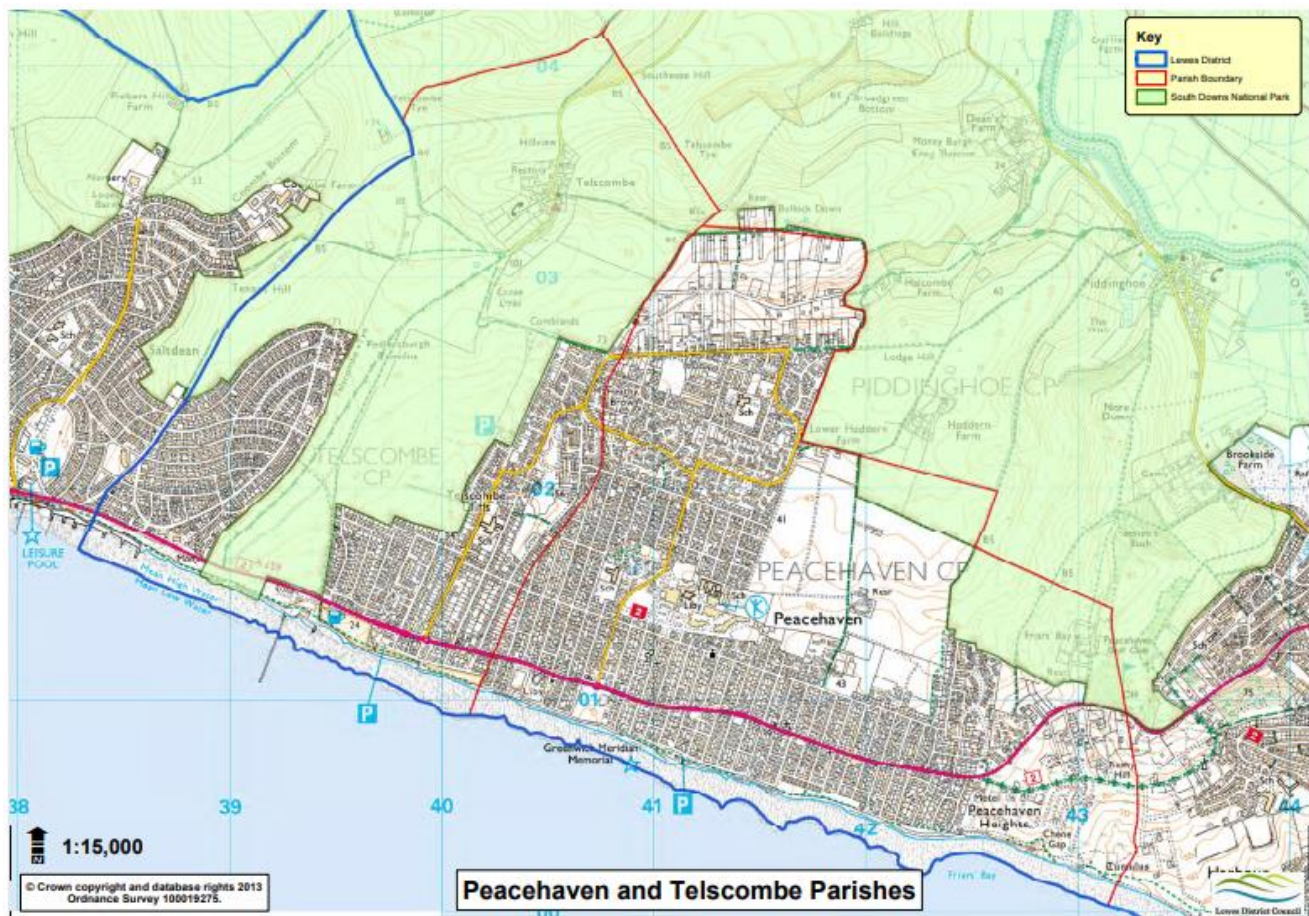
1. Peacehaven & Telscombe is a Neighbourhood Plan area located in Lewes District, East Sussex. The Neighbourhood Area (NA) boundary comprises the two parishes of Peacehaven and Telscombe and was designated in 2013.
2. The proposed Neighbourhood Plan period starts in 2021 and extends to 2030, the end date being consistent with the Local Plan, therefore comprising a planning period of 9 years. The evidence supplied in this report will look forward to the Plan end date of 2030, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. The Neighbourhood Plan area of Peacehaven & Telscombe Parishes includes East Saltdean. East Saltdean, which forms part of Telscombe parish, is an almost solely residential area on the administrative border of Brighton and Hove City. The settlements of East Saltdean, Telscombe Cliffs and Peacehaven extend from the cliff tops overlooking the sea back towards open downland to the north and west, which forms part of the South Downs National Park. Set within the South Downs National Park is the small village of Telscombe – the oldest settlement in the Neighbourhood Area.
4. The bulk of the settlement of Peacehaven – and to an extent, Telscombe Cliffs, is characterised by low density 20th century residential development, but also offers the majority of services and amenities in the Neighbourhood Area. Historically laid out on a rigid grid street plan that reflects the early origins of Peacehaven as a speculative seaside resort at the turn of the 20th century. Coastal defences protect most areas of cliff top development from erosion by the sea. The towns have a strong feeling of community with many local community groups and well attended local events.
5. Despite its large residential population, Peacehaven only provides 5% of the total employment in the district. Consequently, most residents have to travel out of the town to work, particularly in Brighton. The A259 coast road is the only vehicular route in and out of the urban area and suffers from congestion at peak periods, particularly in the Brighton direction. There is a frequent bus service with priority measures in place to and from Brighton.
6. The Meridian Centre in Peacehaven provides a supermarket, shops, library, leisure and other public/community facilities. Other retail outlets and services are principally scattered along the A259, the South Coast Road.
7. The Meridian Monument, unveiled in 1936, marks the coincidence of Peacehaven with the Greenwich meridian. A new public park – Centenary Park - opened in Peacehaven in 2015. Centenary Park used land provided in association with the new Waste Water Treatment Works and funding was provided by recent housing developments.
8. The data presented in this report draws on publicly available data for the two parishes. Where Census 2001 data is used, the parishes are made up of 3 MSOA (since parish

boundaries are not available for the 2001 Census) which match the current parish boundaries. The three MSOAs used for 2001 data are:

- MSOA 02004384
- MSOA 02004385
- MSOA 02004388

9. The statistics show that in the 2011 Census the NA had a total of 21,544 residents, formed into 9,410 households and occupying 9,694 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Peacehaven and Telscombe is 23,371 – indicating population growth of around 1,827 individuals since 2011 (growth of 228 people each year). If the average household size is maintained from the Census 2011, this implies household growth of 100 households each year. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
10. The Valuation Office Agency data shows that there were 10,030 dwellings in the NA in 2020, an increase of 336 dwellings since the Census 2011, an average of 37 dwellings each year added to the stock. This is substantially lower than the estimated level of household growth based on mid year population projections.
11. A map of the Plan area appears below in Figure 2.1.

Figure 2-1: Map of the Peacehaven & Telscombe Neighbourhood Plan area



Source: Lewes District Council

Planning policy context

12. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁴ In the case of Peacehaven & Telscombe, the relevant adopted Local Plan for Lewes District consists of the Local Plan Part 1 – Core Strategy and the Local Plan Part 2 – Site Allocations and Development Management.
13. The Lewes District Local Plan Part 1: Joint Core Strategy 2016 (LPP1) sets a vision up to 2030 for the Peacehaven and Telscombe area, as follows:
14. *'By 2030, the regeneration of Newhaven will have directly and indirectly helped to improve the vitality of Peacehaven and Telscombe. The A259 will have a high quality sustainable transport corridor, thereby improving the accessibility of this part of the district to neighbouring coastal towns and cities, where the higher order services and facilities exist. The provision and quality of recreational and community services will have been enhanced and opportunities to deliver employment floorspace to help establish a greater presence of local businesses in the town will have been realised.'*
15. *The retail provision on offer in the town will have been improved by developments that encourage a rich and diverse mix of shops and other town centre uses.'*

⁴ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

16. The vision provides the strategic policy for the area up to 2030, however, it places much on the delivery of regeneration in nearby Newhaven to help bring indirect improvement to the Peacehaven and Telscombe Neighbourhood Area.
17. The focus of development in the LPP1 is on the housing and employment sectors as this is where the greatest level of need has been identified. This does not imply that there will be no need for further provision of community, recreation and leisure facilities. The delivery of some of these facilities is specifically highlighted in some of the locational policies in the Core Strategy, as well as in the Infrastructure Delivery Plan. In addition, generic policies concerning the provision of such facilities will ensure that suitable provision is facilitated.
18. In the light of these considerations, the overall target for net additional housing in the district has been set at a minimum of 6,900 dwellings between 2010 and 2030 (an average of 345 dwellings per annum). This target is less than the full objectively assessed housing need for the district. However, it is considered to be the level of housing growth that most appropriately balances the objective of meeting housing needs with the aims of achieving sustainable development and sustainable communities.
19. In terms of infrastructure, the capacity of the road network continues to be a critical issue affecting the district. This issue principally impacts upon the growth potential of Newhaven, Peacehaven and Telscombe/East Saltdean but also affects the potential for large-scale housing development in the villages and urban fringe areas to the north or east of Ditchling.
20. Over half the district is located within the South Downs National Park, where the level of future housing provision must have regard to the two statutory purposes of the National Park and national policy guidance set out in 'English National Parks and the Broads: UK government vision and Circular 2010'. This particularly affects the outward growth of the towns of Lewes, which lies wholly within the National Park, and Seaford, which is tightly constrained by the National Park boundary. In the rural area outside of the National Park, the vision of the Core Strategy aspires to retain and enhance the distinctive character and identity of the Low Weald countryside and villages.
21. Local Plan Part 2 – Site Allocations and Development Management (adopted 2020) identifies sites to meet the housing requirements set out in LPP1. However, the emerging Peacehaven & Telscombe Neighbourhood Plan is expected to allocate sites to meet the housing requirement for the NA (a minimum of 255 homes up to 2030) and so the LPP2 does not allocate sites in the neighbourhood area to meet this requirement. There are, however, two development management policies in LPP2 which are relevant to housing development Peacehaven & Telscombe. These are policies DM2 – Rural Exception sites and DM8 – Residential Sub-divisions and Conversion (see Table 2-1).
22. Lewes District Council consulted on Issues and Options for a new Local Plan in July 2021. The new Local Plan will set out policies to 2040. The Local Plan review is at an early stage and as yet, there are no emerging policies but the Issues and Options Consultation document identifies a number of key issues and themes which are relevant to Peacehaven & Telscombe:

- Reiterates the Corporate Plan policy target of 200 new Council homes and 300 affordable homes.
- Sets out that the Government's Standard Method will be used at the starting point to calculate housing need in the District. Note that the figures quoted in the Issues and Options document for the Standard Method calculation in Lewes do not appear to be up to date. The figure for 2020 using the Standard Method is 385 per annum.
- Discusses the need to improve access to housing and states that the Plan is likely to maintain the existing tenure split of 75% affordable rented, 25% affordable home ownership.
- States that an option is to intensify the development of the coastal towns and plan outward expansion of Newhaven and Peacehaven.

Policies in the adopted local plan

23. Table 2-1 below summarises adopted Local Plan policies (Local Plan Part 1 & 2) that are relevant to housing need and delivery in Peacehaven & Telscombe.

Table 2-1: Summary of relevant adopted policies in the Local Plan Part 1 – Core Strategy (2016) and Local Plan Part 2 – Site Allocations and Development Management (2020)

Policy		Provisions
Spatial Policy 1 (Provision of housing & employment land)	1	Sets the quantum of residential and employment development for the Plan area over the Plan period. For Lewes District as a whole, the requirement is 345 homes per annum to 2030. Peacehaven & Telscombe is requirement to provide a minimum of 255 homes up to 2030 (not including the strategic allocation at Lower Hodden Farm of 450 units).
Spatial Policy 2 (Distribution of housing)	2	Sets the distribution of development across the Plan area during the Plan period and also sets the windfall allowance for the Plan area. It identifies Lower Hodden Farm in the NA for development of 450 homes. Criterion (2) states: Peacehaven & Telscombe – a minimum of 255 net additional units which will all be contingent upon developers identifying and demonstrating to the satisfaction of the local highway authority, and delivering, a co-ordinated package of multi-modal transport measures required to mitigate the impacts of development on the A259. At Para. 2.7. the LPP2 goes on to state: In areas where an emerging neighbourhood plan is identifying housing allocations, it is anticipated that it will meet the minimum requirement set out in Spatial Policy 2. It should be borne in mind that figures contained within Spatial Policy 2 are expressed as minimums and, where appropriate, growth should exceed this minimum figure. ⁵
Spatial Policy 8 (Lower Hodden Farm)		Allocates the Lower Hodden Farm site (11 hectares) for residential development (450 units) in the NA
Core Policy 1 (Affordable Housing)		Seeks to deliver the homes and accommodation for the needs of the District and ensure the housing growth requirements are accommodated in the most sustainable way. There is a District wide target of 40% affordable housing on sites larger than 10 units (11+ dwellings) and a tenure split of 75% affordable rented; 25% intermediate.

⁵ Paragraph: 103 Reference ID: 41-103-20190509: <https://www.gov.uk/guidance/neighbourhood-planning--2#the-role-of-the-local-planning-authority-in-neighbourhood-planning>

Policy	Provisions
Core Policy 2 (Housing Type, Mix and Density)	<p>In order to deliver sustainable, mixed and balanced communities, the local planning authority will expect housing developments (both market and affordable) to:</p> <ol style="list-style-type: none"> 1. Provide a range of dwelling types and sizes to meet the identified local need, based on the best available evidence. This need will generally include 1 and 2 bedroom homes for single person households and couples with no dependents. Account will also need to be given to the existing character and housing mix of the vicinity and, where appropriate, the setting of the National Park and its Purposes and Duty. 2. Provide flexible, socially inclusive and adaptable accommodation to help meet the diverse needs of the community and the changing needs of occupants over time. This need will include accommodation appropriate for the ageing population and disabled residents. 3. Reflect the site context including the character of the surrounding area, site accessibility, and the size and type of dwellings needed in the locality, to achieve densities in the region of 47 to 57 dwellings per hectare for the towns and 20 to 30 dwellings per hectare for the villages. Higher or lower densities may be justified by the specific character and context of a site. Densities to be achieved on strategic sites are indicated in the capacity and development principles of each strategic allocation in this Core Strategy. Densities to be achieved on non-strategic allocated sites will be similarly identified in the development principles that accompany each site allocation in the relevant subsequent DPD. 4. Where appropriate, the local planning authority will identify sites and local requirements for special needs housing (such as for nursing homes, retirement homes, people with special needs including physical and learning disabilities, specific requirements of minority groups etc) in a Site Allocations and Development Management Policies DPD and/or the SDNPA Local Plan.
Development Management Policy 2 (Rural exception sites)	<p>Outside the planning boundaries, as defined on the Policies Map, proposals for affordable housing to meet local needs will be permitted where the following criteria are met:</p> <ol style="list-style-type: none"> 1. the proposed development will assist in meeting an identified and genuine local need in terms of the sizes, types, and tenures of the dwellings; 2. the proposed development is within, adjacent to, or otherwise well related to an existing village or other settlement; 3. the scale and design of the development is appropriate to the nature of the settlement and will respect its character and setting; 4. the affordable housing is made available to, and will be retained in perpetuity for, households with a local connection; 5. the proposed scheme is subject to an appropriate legal agreement to ensure that it is able to be properly managed by a partner Registered Provider or other approved body; 6. development proposals within 7km of the Ashdown Forest comply with Core Policy 10(3) of the Local Plan Part 1. <p>The inclusion of open market housing will not normally be supported unless it can be demonstrated that an affordable housing scheme that meets the above criteria would be unviable without cross-subsidy. In such exceptional circumstances, the amount of market housing must be lower than the amount of affordable housing and at the lowest proportion that will enable the delivery of significant affordable housing.</p>

Policy	Provisions
Development Management Policy 8 (Residential sub divisions and conversions)	<p>Within the planning boundaries, as defined on the Policies Map, proposals for the sub-division of existing dwellings to flats or the conversion of existing dwellings to houses of multiple occupation or other forms of shared housing will be permitted where the following criteria are met:</p> <ol style="list-style-type: none"> 1. there is adequate provision for car parking, private amenity space for residents, and storage for bicycles and recycling/refuse containers; 2. the proposal would not result in unacceptable harm to the amenities of neighbouring residential properties through loss of privacy or daylight or levels of activity that give rise to excessive noise or disturbance; 3. there would be no adverse impact on the character of the immediate locality through the cumulative impact of physical alterations or extensions to the original dwelling or other structures; <p>Development proposals within 7km of the Ashdown Forest will only be permitted where they comply with Core Policy 10(3) of the Local Plan Part 1.</p>

Source: Local Plan Part 1 & Local Plan Part 2. Available at <https://www.lewes-eastbourne.gov.uk/planning-policy/>

Quantity of housing to provide

24. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
25. Lewes District has fulfilled that requirement by providing Peacehaven & Telscombe with figure of a minimum of 255 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.⁶ This figure is in addition to the strategic allocation of 450 homes in Peacehaven at Lower Hodden Farm and completions (332 homes) and commitments (189 homes) in the early years of the Local Plan period in the two parishes. In total, over the Local Plan period 2010-2030, Peacehaven & Telscombe is expected to deliver 1,224 new homes.
26. It is relevant to note that Lewes District Council is at an early stage in reviewing the Local Plan and has recently consulted on the Issues and Options document (July 2021). The housing requirement for Lewes and its neighbourhood areas, may change in the future as the new plan is developed.

⁶ As confirmed in the Lewes District Local Plan Part 1

3. Approach

Research Questions

1. The following research questions were formulated at the outset of the research through discussion with the Neighbourhood Plan Steering Group and to reflect the draft Peacehaven HNA produced by the Council in 2020. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

2. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
3. This evidence will allow Peacehaven & Telscombe to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
4. Affordability and access to housing is a key issue for the neighbourhood area and is identified in the Local Plan and in Lewes's Corporate Plan. There is concern about the limited availability of 'starter units' and a general lack of social and affordable housing in the area.
5. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA. Particular focus is given to the Government's new First Homes product and how this will impact on affordability in Peacehaven & Telscombe.

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

Type and Size

6. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group are particularly concerned about the perceived loss of younger people from the area, linked to the lack of affordable housing, and also the need to meet the needs of older people who live in the area but to ensure that the NA remains attractive to younger households.
7. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

8. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
9. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and wider considerations should be layered to create a more complete picture and vision for the future.

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

Specialist Housing for Older People

10. This chapter supplements the demographic evidence relating to type and size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Relevant Data

11. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
 - Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Home.co.uk;
 - Local Authority housing waiting list data; and
 - The draft Peacehaven HNA, prepared by the Council in 2020
 - Lewes District Council Local Plans Part 1 and 2 and supporting evidence base eg the Affordable Housing Need Assessment 2017.
12. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

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

Introduction

1. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the NA and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
2. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
3. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.⁷
4. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
 - First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

⁷ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

Current tenure profile

5. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
6. Table 4-1 below presents data on tenure in Peacehaven & Telscombe compared with Lewes District and England from the 2011 Census, which is the most recent available source of this information. The vast majority of households in the NA own their homes (75.7%), a higher rate than both Lewes (72.7%) and England as a whole (63.3%). The stock of affordable housing is small compared to both Lewes and in particular England as a whole. Private renting is consistent with Lewes but below the rate in England a whole.
7. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Peacehaven & Telscombe the private rented sector expanded by 136% in that period, a rate of growth that is above both the growth in Lewes (103%) and the national average (82%). In absolute terms, the growth in the PRS over the 10 year period was almost 1,100 dwellings.
8. National trends since 2011, evidence in the English Housing Survey, show that the private rented sector has continued to grow. Growth in England from 2011 to 2018 was 21.9% and it is likely that this trend has been replicated in the NA. AECOM estimates there are around 1,650 private rented households in the NA currently (based on projections to

2018).

9. It is likely that growth in the private rented sector in recent years in Peacehaven & Telscombe will have moderated the share of home owners compared to 2011, primarily because younger households have entered the private rented sector rather than home ownership, constrained by affordability of home ownership. However, home ownership remains the dominant tenure. A recent Ipsos MORI survey confirms that home ownership continues to be the aspiration of most households (80% of households would prefer to own their own homes).⁸

Table 4-1: Tenure (households) in Peacehaven & Telscombe, 2011

Tenure	Peacehaven and Telscombe	Lewes	England
Owned; total	75.7%	72.7%	63.3%
Shared ownership	0.9%	0.7%	0.8%
Social rented; total	8.2%	10.9%	17.7%
Private rented (including living rent free); total	15.2%	15.7%	18.2%

Sources: Census 2011, AECOM Calculations

Affordability

House prices

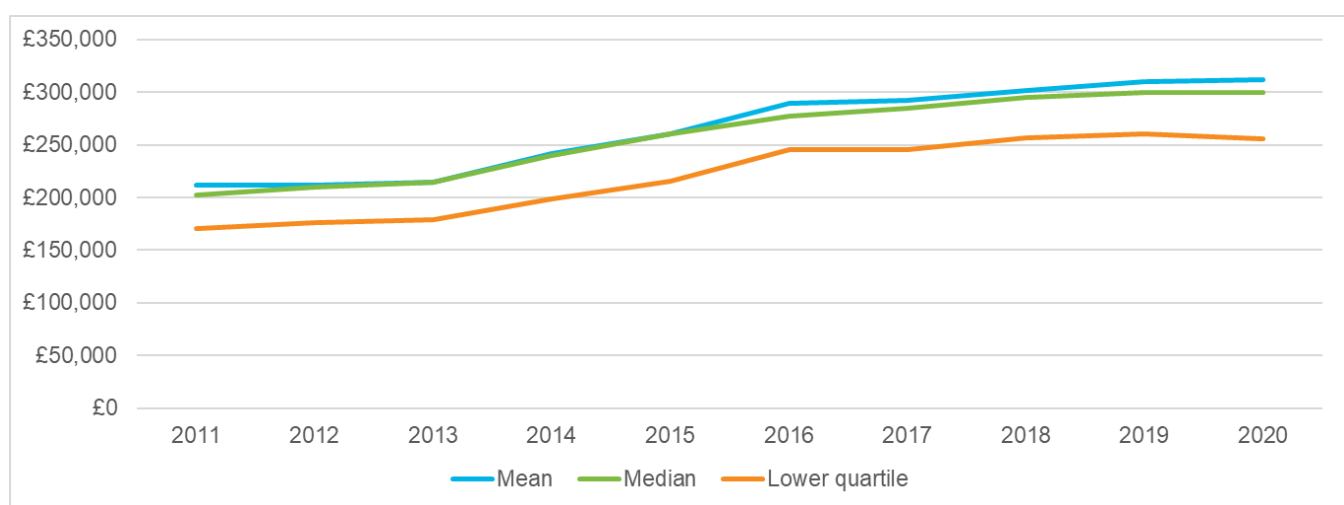
10. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
11. Figure 4-1 below looks at selected measures of house prices in Peacehaven & Telscombe. It shows that average prices have increased substantially since 2011. Median average prices have increased by 48% over the period 2011-2020. Lower quartile prices (the cheapest 25% of properties) have increased at a similar rate- just below 50%. In absolute terms, the median average house price is almost £100k more in 2020 than in 2011 with the lower quartile price £87.5k higher than in 2011. This has serious implications for younger and first time buyers who typically access these properties and will need to find both higher deposits and higher incomes to be able to afford to buy.
12. The median average price of a property in the NA in 2020 was £311,600, with the lower quartile price at £256,000. Prices in Lewes District are higher on average and this is likely to be because it includes larger and desirable properties in the rural areas and national park. It is useful to compare prices (see Tables 4-2 and 4-3) as this gives an indication of the gap between the NA and District in terms of lower quartile prices. Whilst this data is from 2019 (included in the draft HNA produced by Lewes District Council), prices in 2020 are broadly similar and so it remains a reasonable basis for comparing areas. Prices in the wards that make up the NA are broadly cheaper than in Lewes as a whole, with the

⁸ Ipsos MORI 2021 The Future of Home Survey

exception of East Saltdean & Telscombe Cliffs. The implication being that Peacehaven & Telscombe are likely to be attractive and more accessible locations for households moving out of more expensive areas of Lewes.

13. However, Lewes District and the NA has higher LQ prices than the neighbouring East Sussex Districts. It is less likely that young households and first time buyers will move to the area from these authority areas but moves in from places such as Brighton & Hove are likely, given relatively higher house prices and affordability pressures.
14. It is useful to consider migration estimates, published by the ONS in 'Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2019'⁹ to explain the interaction between migration to and from Peacehaven & Telscombe and the likely impact on housing demand and prices. Whilst data is not available at the level of the NA, it shows in Lewes' case most migration occurs with neighbouring authorities, in particular Brighton and Hove.
15. The Neighbourhood Area lies on the border with Brighton and Hove, with the A259 providing a direct road link with the city. In the absence of the rail network in the Neighbourhood Area, the A259 (which also provides the other coastal towns in the District with a highway link to Brighton) is heavily used by those travelling for work or recreation into the city. The migration flows 2018-19, estimated by ONS, indicate that around 1,976 people moved from Brighton and Hove to Lewes District; with 1,020 moving from Lewes to Brighton and Hove. The net effect is in-migration to Lewes of around 956 people. It is reasonable to assume that the Neighbourhood Area would take a significant proportion of this migration. Inevitably, this will have an impact on the makeup of the local population and it is also likely to impact on house prices and rents as these people and households are moving from a higher priced area and may benefit from equity from a house sale and/or higher incomes and earnings.

Figure 4-1: House prices by quartile in Peacehaven & Telscombe, 2011-2020



Source: Land Registry PPD

⁹ Available here:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearepopulationestimates/mid2019estimates#local-population-change>

16. Table 4-2 breaks down house prices by type in the NA. It shows that semi detached homes and terraces increased at the highest rates from 2011-2020. Both detached properties and flats prices have increased substantially over time but price rises in recent years have been limited.

Table 4-2: House prices by type in Peacehaven & Telscombe, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	PRICE GROWTH
Detached	£261k	£257k	£260k	£294k	£322k	£348k	£352k	£363k	£365k	£365k	39.9%
Semi-detached	£208k	£209k	£222k	£245k	£265k	£296k	£297k	£305k	£314k	£322k	55.1%
Terraced	£186k	£189k	£195k	£216k	£242k	£266k	£271k	£271k	£263k	£280k	50.9%
Flats	£130k	£115k	£121k	£143k	£151k	£164k	£178k	£186k	£202k	£185k	42.3%
All Types	£211k	£212k	£215k	£242k	£260k	£289k	£293k	£301k	£310k	£312k	47.5%

Source: Land Registry PPD

Table 4-3: Lower Quartile Sales Prices in District/Borough Authority Areas by Type (year ending December 2019)

Dwelling Type	Eastbourne	Hastings	Lewes	Rother	Wealden
Flat/Maisonette	135,500	115,000	165,000	138,000	138,000
Terraced	211,000	190,000	250,000	215,000	232,000
Semi-detached	237,000	223,000	273,000	245,000	256,500
Detached	283,500	291,000	340,000	340,000	345,000
All dwellings	194,000	170,000	261,000	210,000	250,000

Source: ONS

Table 4-4: Lower Quartile Sales Prices in the Neighbourhood Area (disaggregated by Ward) by Type (year ending December 2019)¹⁰

Dwelling Type	East Saltdean & Telscombe Cliffs	Peacehaven East	Peacehaven North	Peacehaven West
Flat/Maisonette	177,000	172,000	:	152,750
Terraced	234,000	260,000	234,000	:
Semi-detached	285,000	270,000	260,000	259,975
Detached	328,000	285,000	310,000	279,500
All dwellings	285,000	255,000	257,000	254,000

Source: ONS

Income

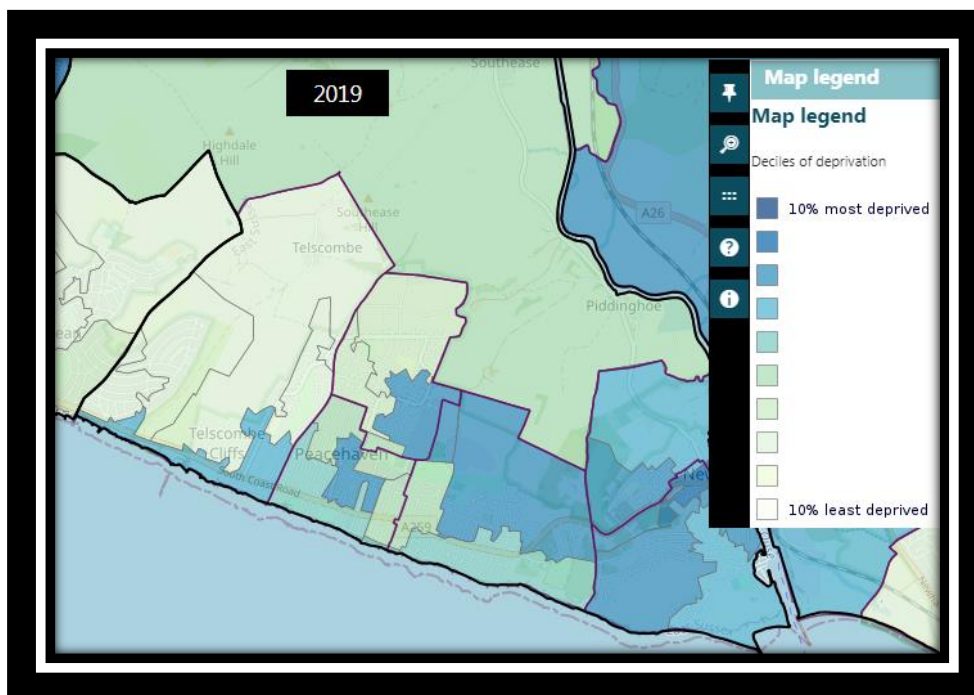
17. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
18. The first source is ONS's estimates of incomes in small areas (MSOAs). This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £37,500 in 2018. There are 3 MSOAs that cover the NA so three different

¹⁰ Where ':' is used, it indicates that the data was not available. It may be due to the lack of housing stock of a particular type in that area, for example.

household incomes are available from ONS. However, the range is very similar, from £35,000-£40,600. As such, AECOM has used a simple average of the three figures.

19. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the individual income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Lewes's gross individual lower quartile annual earnings were £14,532 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £29,064.
20. It is immediately clear from this data that there is a large gap between the spending power of average households (£37,500) and those reliant on lower quartile earnings, particularly where the household in question has one earner only.
21. The English Indices of Deprivation 2019 provide further evidence of the impact that low incomes amongst some households have on wider deprivation. The statistics relate to small areas, known as lower layer super output areas (or LSOAs). These areas have an average population of about 1,700.
22. Part of the Neighbourhood Area (three of the LSOAs which make up the NA) has been identified to be one of the 30% most deprived areas in the country, with other parts of the Neighbourhood Area being subject to higher than average levels of deprivation compared to the rest of the country. Figure 4-2 below shows the level of deprivation present in the NA according to the Indices of Multiple Deprivation (IMD) 2019¹¹.

Figure 4-2: Indices of Multiple Deprivation (IMD) for the NA, 2019



Source: MHCLG, 2019

¹¹ Available at: http://dclgapps.communities.gov.uk/imd/iod_index.html#

23. Access to housing and services feed into the calculation and methodology for the IMD and so the opportunity to improve access to housing through the Neighbourhood Plan, for example, by providing more affordable housing, provides an opportunity to address levels of deprivation within the NA.

Affordability Thresholds

24. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated annual income required to cover the cost of rent or a mortgage given local housing prices.
25. AECOM has determined thresholds for the income required in Peacehaven & Telscombe to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
26. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
27. Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
28. The same information is presented as a graph in Figure 4-24-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-5: Affordability thresholds in Peacehaven & Telscombe (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £37,400	Affordable on LQ earnings (single earner)? £14,500	Affordable on LQ earnings (2 earners)? £29,000
Market Housing						
Median House Price	£269,978	-	£77,136	No	No	No
LA New Build Mean House Price	£342,410		£97,831	No	No	No
LQ/Entry-level House Price	£230,175	-	£65,764	No	No	No
Average Market Rent	-	£13,032	£43,440	No	No	No
Entry-level Market Rent	-	£11,940	£39,800	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£188,984	-	£53,996	No	No	No
First Homes (-40%)	£161,987	-	£46,282	No	No	No
First Homes (-50%)	£134,989	-	£38,568	Marginal	No	No
Shared Ownership (50%)	£134,989	£3,750	£51,067	No	No	No
Shared Ownership (25%)	£67,494	£5,625	£38,033	Marginal	No	No
Shared Ownership (10%)	£26,998	£6,749	£30,212	Yes	No	Marginal
Affordable Rented Housing						
Affordable Rent	-	£8,130	£32,519	Yes	No	Marginal
Social Rent	-	£5,190	£20,760	Yes	No	Yes

Source: AECOM Calculations

29. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

30. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-large homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. Households need an income of around £65,800 to afford entry level house prices in the neighbourhood area. The median house price would require an annual income of £77,100, more than double the average income in the NA.
31. Private renting, at entry level rents is affordable to households with average incomes. However, households made up of one or two lower quartile earners cannot afford private rents, assuming they spend up to 30% of their gross income on rent. Affordability is

improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and even the ability to afford basic essentials such as food and fuel, and so cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

32. There is a relatively large group of households in Peacehaven & Telscombe who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £39,800 per year (at which point entry-level rents become affordable) and £65,700 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
33. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
34. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Table 4-5 shows that discounts of 50% are likely to be required to ensure First Homes are affordable to households on average incomes in the NA. Even at this level of discount, these properties may only just be at the margins of affordability for many households on average incomes.
35. Table 4-6 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.
36. It is important to note that, whilst the largest discounts would be required to ensure First Homes are affordable to households on average incomes, lower discounts would extend home ownership to some households currently priced out of the market, albeit smaller discounts eg 30% would not extend home ownership as far as discounts of 50%. It is highly unlikely that First Homes could be provided at prices that would allow households on lower quartile incomes to access them unless these households have access to large deposits.

Table 4-6: Discount on sale price required for households to afford First Homes

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	52%	81%	62%
LA New build mean house price	62%	85%	70%
NA Entry-level house price	43%	78%	56%

Source: Land Registry PPD; ONS MSOA total household income

37. Shared ownership appears to demonstrated similar affordability to First Homes; at discounts of 25% and 50% it is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹² If this is delivered in the NA, it will make shared ownership easier to access for more people – to those on incomes of around £32,200. It may be affordable to those on lower quartile earnings where two household members are earning. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
38. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
39. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership appear more affordable options than Rent to Buy providing the highest discounts can be provided. However, Rent to Buy may be a suitable option within the neighbourhood area given its potential to widen access to home ownership to those who have little or no deposit. First Home and Shared Ownership may not be accessible to these households, even where they have sufficient incomes, whereas Rent to Buy allows households to build up a deposit over time.
40. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion. There are also often service charges where these homes are provided as flats.

¹² The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

41. In conclusion, all of these products would be valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

42. Affordable rented housing is generally unaffordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such households will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
43. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Peacehaven & Telscombe as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. However, where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

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



Source: AECOM Calculations

Affordable housing- quantity needed

44. The starting point for understanding the need for affordable housing in Peacehaven is the relevant Strategic Housing Market Assessment or Local Housing Need Assessment (SHMA/LHNA) as these studies typically assess the need for affordable housing. In Lewes, the latest assessment of the need for affordable housing was prepared in 2014, covering the period 2013-2015. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The study estimated the need for 389 affordable homes each year.
45. Given this assessment is now 7 years old and was designed to cover the period up to 2015 and was completed before the publication of the latest NPPF and PPG, AECOM has produced an up to date estimate for the neighbourhood area using our inhouse model.
46. In Table 4-7 below we have calculated, using PPG as a starting point,¹³ an estimate of the total need for affordable rented housing in the NA over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
47. It should also be noted that figures in Table 4-7 are largely dependent on information provided by Lewes District Council in its capacity as manager of the local housing waiting list. There are currently 235 households on the Council's waiting list who have indicated the need to live in Peacehaven or Telscombe (indicated by first preferences for these parishes). These households can be considered as the backlog of affordable housing need in the NA and provide a simple indication of the scale of need in the area. Over the plan period, this equate to a backlog of 26 households per annum. Further information on the requirements of households on the waiting list, in terms of size of property needed, is discussed in Section 5 of this report.

¹³ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Table 4-7: Estimate of need for Affordable Housing for rent in Peacehaven & Telscombe

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	235.0	Housing register 2021, 1st preference for Peacehaven or Telscombe
1.2 Per annum	26.1	Step 1.1 divided by the plan period (2021-2030) to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	747.6	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	16.3%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parishes	815.7	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	604.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	122.1	Step 2.1 x Step 2.2.
2.4 Per annum	13.6	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	24.5	Step 3.1 x NA social rented stock (2.2.1).
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall per annum	15.2	Step 1.2 + Step 2.4 - Step 3.2

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

48. Our estimate also suggests that, over the Plan period, 14 (rounded) additional households in the Neighbourhood Plan area will fall into need. Lettings within the affordable housing stock are estimated at 25 (rounded) per annum. This suggests that there is a shortfall of around 15 homes per annum in Peacehaven & Telscombe for households who need affordable rented homes.
49. Turning to Affordable Housing providing a route to home ownership, Table 4-8 below estimates the potential demand in Peacehaven & Telscombe. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

Figure 4-8: Estimate of the potential demand for affordable housing for sale in Peacehaven & Telscombe

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	1652.9	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	36.6%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	604.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	786.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁴
1.5 Per annum	87.4	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	747.6	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	9.0%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	67.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	5.2	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	129.7	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	6.5	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	86.1	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, MHCLG 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

50. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This is assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.¹⁵ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
51. The result of the calculation is 86 (rounded) households per annum who may be interested in affordable home ownership.

¹⁴ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

¹⁵ Ipsos MORI 2021 The Future of Home Survey, available at: https://www.ipsos.com/sites/default/files/ct/news/documents/2021-07/Nationwide%20future%20of%20home%20survey%20report_v1_PUBLIC.pdf?platform=hootsuite

52. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently. It does not take account of supply in the private rented sector, where most of these households currently reside, because it is assumed that most aspire to home ownership. Nevertheless, if these households are able to access affordable home ownership, they are likely to release a PRS property that could be used for another household, or sold on the open market.
53. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
54. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
55. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.
56. Lewes's adopted policy on this subject (Core Policy Affordable Housing 1) has a target of 40% of all new housing to be affordable. On average, since 2015/16, Affordable Housing made up just 13% of new housing in the neighbourhood area (Table 4-9). Although overall delivery has exceeded what is expected in terms of the Local Plan housing requirement, affordable housing delivery has been limited.

Table 4-9: Recent Delivery of Affordable Housing, Peacehaven & Telscombe

	Total Housing Completions (Gross)	Total Affordable Housing Completions (Gross)	% of Affordable Housing
2015/16	108	22	20%
2016/17	57	6	11%
2017/18	73	6	8%
2018/19	95	6	6%
2019/20	101	28	28%
2020/21	98	0	0%
Average	89	11	13%

Source: Data provided by Lewes District Council

57. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.

58. The Local Plan specifies a target of 75% affordable rented and 25% intermediate, however the plan describes flexibility in the tenure breakdown to take account of localised needs and site specific factors. This HNA can provide more localised evidence, and this section summarises the factors that might be taken into account before proposing an indicative Affordable Housing tenure mix that might be suitable for Peacehaven & Telscombe specifically.
59. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Peacehaven requires around 15 units of affordable rented housing with additional potential demand for 86 units of affordable home ownership each year over the Plan period. Over the 9 year proposed plan period, this would equate to the need for 135 affordable rented homes and potential demand for 774 affordable home ownership homes.

The relationship between these figures suggests that priority should be given to affordable home ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 15% to 85% may be an appropriate affordable tenure mix. However, this is unrealistic in terms of delivery

- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

If the Local Plan target of 40% were achieved on every site, up to around 100 affordable homes might be expected in the NA by 2030, taking into account the minimum housing requirement of 255.¹⁶ If a large proportion of Peacehaven & Telscombe's new housing comes forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower than anticipated.

As a result, affordable rented housing is likely to have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. The 75% rented 25% ownership guideline mix in the Local Plan provides an appropriate starting point.

¹⁶ Delivery of affordable housing in the NA will also come from other sources. The Local Plan allocated the Lower Hoddern Farm site for 450 dwellings. This is not a Neighbourhood Plan allocation but will deliver affordable housing within the NA. Similarly completions and commitments achieved in the early years of the Local Plan have provided new homes in the NA.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Lewes, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.
- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 75% affordable rented and 25% intermediate. The Local Plan review Issues and Options Consultation documents suggests that it is likely to be appropriate to retain this indicative split.
- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. The existing Lewes District tenure mix policy would entail all of the intermediate affordable housing being delivered as First Homes, displacing existing intermediate products but not impacting on affordable rented delivery (unless there is a knock on effect on scheme viability that impacts on what can be delivered as a result of the discounts required for First Homes).

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

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. **Existing tenure mix in Peacehaven & Telscombe:** the NA has a very limited supply of Affordable Housing, in 2011 accounting for less than 10% of the housing stock. This is particularly true for social/affordable rented homes, which account for just 8% of the stock, significantly lower than in Lewes and England as a whole. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage social/affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels. Similarly, the new First Homes product is likely to affect the business models of some RPs and this may affect the type of affordable housing they can deliver on specific sites.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Peacehaven & Telscombe and the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA, balancing employment opportunities with new housing. These wider considerations may influence the mix of Affordable Housing provided.

60. On the basis of the considerations above, Table 4-10 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

Table 4-10: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	40%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	60%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

61. This indicative mix is a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised and this is consistent with the Lewes District Local Plan policies. AECOM suggest a mix of 60% affordable rented, 40% affordable home ownership. This maintains the priority for delivering affordable rented housing but allows for some delivery of other forms of affordable home ownership in addition to the required 25% First Homes component.
62. The discussion of affordability earlier in this section highlights the large discounts required to make First Homes affordable to households on average incomes. Similarly, small shares need to be offered for Shared Ownership to be affordable. Rent to Buy may be more suitable for some households on reasonable incomes but without sufficient deposits. For this reason, whilst First Homes is likely to form the largest share of affordable home ownership housing, it would be useful to retain the flexibility to deliver other products locally.
63. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
64. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split

between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Lewes District Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

65. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Conclusions- Tenure and Affordability

66. Table 4-11 summarises Peacehaven & Telscombe's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-10: Total Estimated delivery of Affordable Housing in Peacehaven & Telscombe

	Step in Estimation	Neighbourhood Plan Housing Requirement	Neighbourhood Plan ,Lower Hoddern Farm site, existing completions
A	Housing requirement (minimum) in Local Plan	255	1,224
B	Affordable housing quota (%) in LPA's Local Plan	40%	40%
C	Potential total Affordable Housing in NA (A x B)	102	490
D	Rented % (e.g. social/ affordable rented)	60%	60%
E	Rented number (C x D)	61	294
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%	40%
G	Affordable home ownership number (C x F)	41	196

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

67. The potential delivery of affordable housing through the Neighbourhood Plan housing requirement (minimum 255 homes) is just over 100 affordable homes. The Neighbourhood Plan, therefore, has the potential to make a substantial contribution to affordable housing delivery if affordable housing targets (40% affordable housing from new development sites) are achieved.

68. However, delivery from the strategic allocation Lower Hodder Farm site (allocated in the Local Plan) and existing completions and commitments in the early years of the Local Plan period will also contribute to affordable housing delivery in the NA. Taken together, housing delivery from all sources has the potential to provide around 490 affordable homes over the Local Plan period (2010-2030). This is a substantial number of affordable homes and represents expansions of the affordable housing stock (social rented and shared ownership combined) in the NA by around 50% compared to the size of the stock in 2011.
69. However, based on the estimates in this HNA, this level of affordable housing delivery would not address all of the identified needs when both affordable rented and affordable home ownership needs are taken together. This underlines the importance of meeting the affordable housing policy target of 40% wherever possible. The group may also wish to explore further avenues for delivering greater quantities of Affordable Housing (such as exception sites). It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
70. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

5. RQ 2: Type and Size

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

Introduction

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

Existing types and sizes

Background and definitions

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

such, all dwellings are classified as either shared or unshared dwellings.

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

7. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. This HNA draws on Valuation Office data for up to date information on the size and type of dwellings in the NA and compares this to Census 2011 to establish how the nature of the stock has changed in recent years.

Dwelling type

8. Table 5.1 provides a breakdown of the type of housing within the NA, using data from the VOA (latest year) and Census 2011. This data cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties). However, the most striking feature of this analysis is the high proportion of bungalows within the NA, accounting for 40.7% of homes in 2020. Most of these are detached homes. Other types of detached homes account for 14.5% of properties in 2020. A cross check with Rightmove and Zoopla suggests that around 25% of properties on the market are advertised as bungalows. Many of these have been converted to provide 1st floor accommodation, extended from their original single storey footprint.

Table 5-1: Accommodation type, Peacehaven & Telscombe, 2011 and 2020

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	40.7%
Flat	18.0%	18.4%
Terrace	11.4%	13.8%
Semi-detached	27.7%	10.9%
Detached	42.2%	14.5%
Unknown/other	-	1.8%
Total	9,694	10,220

Source: ONS 2011, VOA 2020, AECOM Calculations

9. Peacehaven & Telscombe has a greater proportion of bungalows than in Lewes as a whole and significantly more than in England. The NA has a smaller proportion of flats and terraces than Lewes as a whole and substantially smaller proportion than England.

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

Dwelling type	Peacehaven & Telscombe	Lewes District	England
Bungalow	40.7%	21.5%	9.4%
Flat	18.4%	19.3%	23.0%
Terrace	13.8%	20.2%	26.4%
Semi-detached	10.9%	17.2%	23.8%
Detached	14.5%	19.4%	15.9%
Unknown/other	1.8%	2.4%	1.4%

Source: VOA 2020, AECOM Calculations

10. Census 2011 data is useful to compare dwellings without the focus on bungalows. Whilst this data is now dated, it demonstrates the high proportion of detached properties in the NA compared to the District and England as a whole. The NA has smaller proportions of all other dwellings compared to the District and England. The bias towards detached homes and bungalows (typically larger dwelling plots) also affects the price of homes within the NA and has a knock-on effect on affordability.

Table 5-3: Accommodation type, Peacehaven & Telscombe, 2011

Dwelling type		Peacehaven and Telscombe	Lewes	England
Whole house or bungalow	Detached	42.2%	35.1%	22.4%
	Semi-detached	27.7%	26.5%	31.2%
	Terraced	11.4%	19.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	15.5%	14.3%	16.4%
	Parts of a converted or shared house	1.4%	3.3%	3.8%
	In commercial building	1.0%	1.3%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling size

11. Table 5-4 presents data on the mix of different dwelling sizes in Peacehaven & Telscombe and how this has changed 2011-2020. The largest proportion of dwellings in the stock are 3 bedroom homes, accounting for 39% of homes in 2020. The share of 3 bedrooms properties in the stock has increased since 2011 according to the VOA data. Two bedroom homes account for the second largest proportion (37.9%) of dwellings. Taken together, 2 and 3 bedroom homes account for the vast majority of the housing stock in the NA, more than three quarters of all the properties. Both 1 bedroom and 4+ bedroom properties account for around 11-12% of the housing stock each.
12. Comparison of the data from 2011 and 2020 suggests the number of 4+ bedroom properties has fallen over this time and they now account for a smaller proportion of the housing stock. This is likely to be explained by the conversion and sub division of larger properties to make one or more smaller dwellings. It is a pattern that is replicated in many areas of the country, particularly places with a bias towards larger dwellings and plot sizes and with affordability pressures.

Table 5-4: Dwelling size (bedrooms), Peacehaven & Telscombe, 2011 and 2020

Number of bedrooms	2011 (Census)	2020 (VOA)
1	11.1%	11.8%
2	36.2%	37.9%
3	37.1%	39.0%
4+	15.4%	11.3%
Unknown	-	-
Total	9,410	10,030

Source: ONS 2011, VOA 2020, AECOM Calculations

13. Again it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and England as a whole. Table 5-5 presents data on dwellings by number of bedrooms in 2020. The proportion of 1 bedroom dwellings in Peacehaven & Telscombe is similar to Lewes and England as a whole. The NA has a larger share of 2 bedroom dwellings compared to Lewes and England and a smaller share of larger (3-4 bed) dwellings. It is interesting to compare this data to the previous analysis on the type of dwellings in the NA, which is biased towards bungalows. It suggests that the bias towards bungalow type housing does not translate into a bias towards larger dwellings in terms of number of bedrooms. Whilst there is a high proportion of 2 bedroom dwellings, many of these are bungalows and may not be suitable or affordable to smaller, younger households who are seeking entry level properties to rent or buy.

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

Number of bedrooms	Peacehaven & Telscombe	Lewes	England
1	11.8%	11.4%	12.0%
2	37.9%	30.5%	27.7%
3	39.0%	40.7%	43.0%
4+	11.3%	16.9%	15.2%

Source: VOA 2020, AECOM Calculations

Age and household composition

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

Age structure

15. Table 5-6 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. Figure 5-1 compares the NA to Lewes and England. Peacehaven & Telscombe has an older population compared to England as a whole, though it is consistent with Lewes District. It has a greater share of working age people (16-24 and 25-44) than Lewes District, but a smaller share of children. The number of children in the NA has increase 2011-2019 but their share of the population has remained stable. This suggests that the NA is a popular place for families.

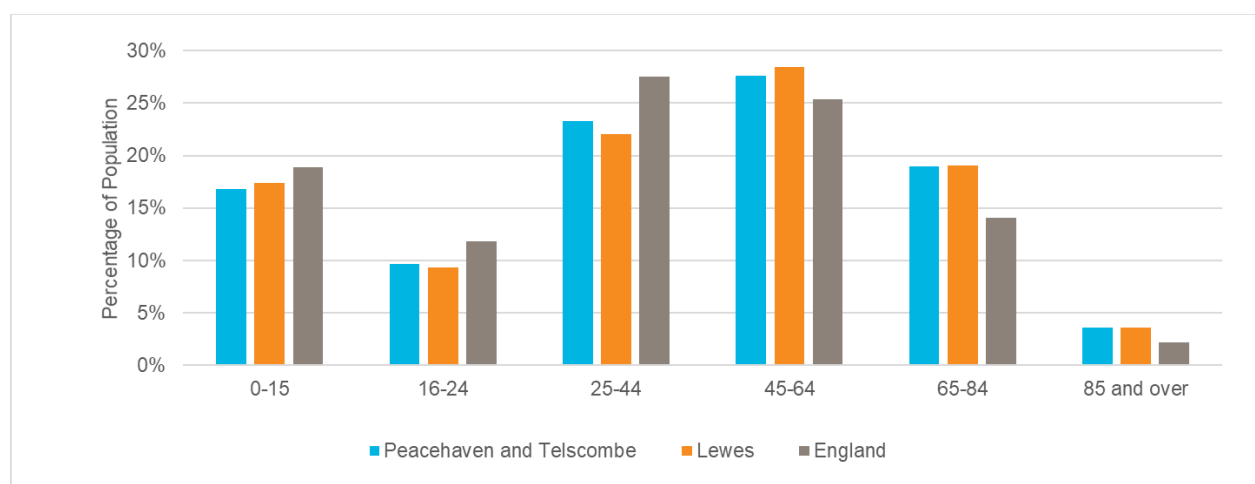
16. The only age group to increase its share of the population since 2011 is the 65-84 age group. This is consistent with the ageing of the population and common to many areas of the Country.
17. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
18. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

Table 5-6: Age structure of Peacehaven & Telscombe population, 2011 and 2019

Age group	2011 (Census) Number	%	2019 (ONS, estimated) Number	%
0-15	3,629	17%	4,060	17%
16-24	2,079	10%	2,031	9%
25-44	5,023	23%	5,217	22%
45-64	5,947	28%	6,398	27%
65-84	4,093	19%	4,806	21%
85 and over	773	4%	859	4%
Total	21,544	100%	23,371	100%

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

Figure 5-1: Age structure in Peacehaven & Telscombe, Lewes and England, 2011



Source: ONS 2011, AECOM Calculations

Household composition

19. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-3 shows that the characteristics of households in the NA are similar to the District as a

whole. Older households (single and couples over 65) make up the largest share of households – 27.1% of households taken together. Families with children (24%) also make up a substantial group but account for a slightly smaller share than in the District as a whole and below the average for England. The most significant difference between the NA and England as a whole is the proportion of single older households. In Peacehaven & Telscombe, as with Lewes District, these households account for over 16% of households, compared to just over 12% nationally.

20. The change in household composition 2001-2011 appears to present a confusing picture. The number of older households (single and couples) declined over the period, in contrast to the data on the ageing of the population. However, the number of households with non dependent children increased. This suggests that older households increasingly have their grown up (non dependent) children living with them. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 37% between 2001 and 2011 in the NA – a faster rate than Lewes District (26%) and England (11%).

Table 5-3: Household composition, Peacehaven & Telscombe, 2011

Household composition		Peacehaven & Telscombe	Lewes	England
One person household	Total	30.4%	30.2%	30.2%
	Aged 65 and over	16.3%	16.2%	12.4%
	Other	14.1%	14.0%	17.9%
One family only	Total	62.5%	63.6%	61.8%
	All aged 65 and over	10.8%	11.6%	8.1%
	With no children	17.8%	18.3%	17.6%
	With dependent children	24.0%	24.5%	26.5%
	All children Non-Dependent ¹⁷	9.8%	9.2%	9.6%
Other household types	Total	7.1%	6.2%	8.0%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

a) Suggested future dwelling size mix

21. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps

¹⁷ Refers to households containing children who are older than 18 e.g students or young working people living at home.

involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

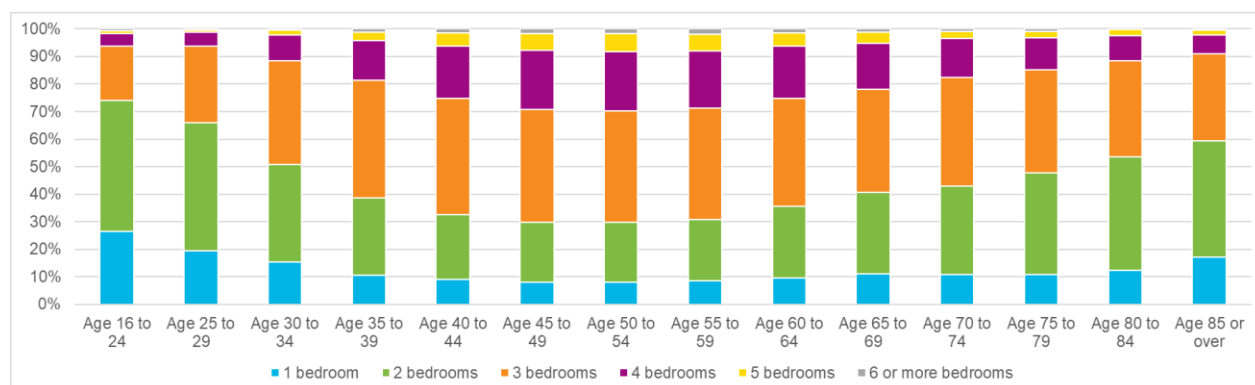
- The starting point is the age distribution of Peacehaven & Telscombe households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

22. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy

patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

23. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
24. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
25. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Lewes in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

26. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Peacehaven & Telscombe households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with some decline in the number of youngest households (aged 24 and under) and limited change in the households in age groups 25-64.

Table 5-8: Projected distribution of households by age of HRP, Peacehaven & Telscombe

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	195	961	3,361	1,736	3,157
2018	179	915	3,341	1,761	3,696
2030	171	954	3,279	1,804	4,552
% change 2011-2030	-12%	-1%	-2%	4%	44%

Source: AECOM Calculations

27. The final result of this exercise is presented in Table 5-9 below. The model suggests that priority should be given to the provision of larger properties in the NA (3-4 bedroom homes), with some provision of smallest (1 bed) properties. Whilst this modelling factors in household growth and occupancy patterns, the results are driven to a greater extent by the limited share of larger properties in the stock of the NA at present. Whilst the mix of homes in the NA may appear to be larger (eg detached bungalows on larger plots), the bias is towards homes with 3 bedrooms or fewer. The stock is smaller (in terms of number of bedrooms) than Lewes and England as a whole. As such, this drives the need to rebalance towards larger dwellings in this modelling exercise. Whilst this modelling suggests there is already an adequate supply of 2 bedroom dwellings, previous analysis indicates that a substantial proportion of these are bungalows and as such may not be suitable or affordable to younger households. Provision of 2 bedroom flats and terraces, for example, through new development, may widen choice beyond that indicated in this modelling exercise.

Table 5-9: Suggested dwelling size mix to 2030, Peacehaven & Telscombe

Number of bedrooms	Mix (2011)	Mix (2020)	Target mix (2030)	Balance of new housing to reach target mix
1 bedroom	1,040	1,180	1,217	11.9%
2 bedrooms	3,409	3,800	3,298	0.0%
3 bedrooms	3,490	3,910	4,091	40.4%
4+ bedrooms	1,447	1,130	2,155	47.6%

Source: AECOM Calculations

28. The result of this model is a relatively indicative measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
29. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have different requirements and degrees of purchasing power.
30. The Council's housing waiting list also provides useful evidence of the specific needs of households who need affordable rented housing. Table 5-10 presents data on applicants in Peacehaven & Telscombe and the size of property they need. The largest proportion of need appears to be from households needing 1 bedroom. This is a common pattern across LPA waiting lists and reflects the

large number of households including single people, couples and older households who are only entitled to one bedroom in allocation policies. Around one third of households need homes with 3 or more bedrooms and this reflects acute needs from family households, many of whom will be living in overcrowded accommodation.

Table 5-10: Housing waiting list applicants in the NA in 2021, by bedroom requirement

Housing waiting list applicants in the NA	2021			
	Register	Transfer	Total	%
1 Bedroom	82	22	104	44.2%
2 Bedrooms	46	8	54	22.9%
3 Bedrooms	33	8	41	17.4%
4 Bedrooms	32	3	35	14.9%
5+ Bedrooms	1	0	1	0.4%
Total	194	41	235	100%

Source: Lewes District Council

31. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. There is likely to be a continued role for smaller and modest sized homes to help address affordability challenges for younger people in particular.
32. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release some larger homes for use by families who need more bedrooms.
33. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to the provision of some larger homes, particularly affordable rented homes, but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Type and Size

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

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

35. The key points to note from the evidence presented in this section are:

- Peacehaven & Telscombe is home to a range of different ages and households types. The number of older people in the population has grown over time, with very limited or no growth in the size of other age groups. The number of older households has not grown as much as might be expected but there has been significant growth in the proportion of households with non dependent children. This has suppressed the formation of single and couple older households. It is likely to have been driven in large part by affordability challenges for younger people.
- The existing dwelling stock has a bias towards bungalows. The dominance of this house type also means that the largest proportion of homes are 2 and 3 bedroom properties. These properties may occupy large plots, especially detached bungalows, but they often have fewer rooms.
- There is evidence that the stock of larger properties (4 bed plus) has fallen in recent years and this is likely to be driven by the conversion of larger properties into smaller dwellings. Bungalows on larger plots are likely to provide opportunities for this type of conversion and redevelopment in particular.
- The proportion of larger (4+ bed) properties in the NA is small compared to the District and England levels. This is likely to restrict opportunities for some family type households to move within or to the area, though affordability of larger properties will also be a significant barrier for some households.
- There is a need for all sizes of accommodation to meet the needs of households on the waiting list and likely to need social or affordable rented housing. Around one third of the current need expressed on the waiting list is for family sized accommodation (3+ bedrooms) but there is continued need for smaller properties as well.
- The modelling exercise in this section suggests some prioritisation should be given to the provision of larger properties to address the imbalance in the stock. However, the delivery of a range of property types and sizes is likely to be appropriate given the issues identified with affordability for younger households (previous section) and evidence to suggest that many larger properties have been converted to smaller properties in recent years in response to market pressures.

6. RQ 3: Specialist housing for older people

RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

Introduction

1. This chapter considers in detail the specialist housing needs of older people in Peacehaven & Telscombe. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows
 - Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
 - Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
 - Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.
2. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
3. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.
4. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹⁸ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
5. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

¹⁸ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹⁹

6. This study covers the need for *housing*, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).²⁰ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

7. When estimating the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's (EAC) website: <http://www.housingcare.org>.
- 8.

¹⁹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

9. Table 6-1 below counts a total of 275 units of specialist accommodation in the NA at present, the majority of which are age exclusive or retirement properties provided for rent rather than sale. These properties may be more accessible for older people and usually with access to a care line, but without onsite care and support. In many ways, this accommodation can be considered mainstream housing and may be substitutable with more accessible and adaptable homes in the mainstream housing stock, particularly level access accommodation such as bungalows and flats/apartments with lift access.
10. According to the EAC, there is only one extra care scheme which offers independent living with onsite care and support. Most of these units are provided for social rent, with 11 available for shared equity purchase. There is very limited opportunity for older households who are owner occupiers to move into extra care or assisted living schemes where they can purchase rather than rent their home.
11. ONS 2019 population estimates suggest that there are currently around 2,771 individuals aged 75 or over in Peacehaven & Telscombe. The figure was 2,461 in 2011, with estimated growth over 300 people age 75+ since then. This suggests that current provision is in the region of 100 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

Table 6-1: Existing specialist housing for the older people in Peacehaven

	Name	Description	No. of units	Tenure	Type
1	Cavell Housing	Age exclusive housing (36 x 2 bed flats)	36	Rent	Age exclusive
2	Downland Estate	Retirement bungalows (43 x 1 and 2 beds)	43	Rent	Age exclusive
3	Downlands Court	Extra care scheme with onsite 24 care and support; 11 shared equity, 30 social rent.	41	Rent; Shared Equity	Extra care
4	Havenside Court	Retirement flats (20 x 1 bed)	20	Leasehold	Age exclusive
5	Homecoast House	Retirement flats (34 x 1 & 2 beds)	34	Leasehold	Age exclusive
6	Meridian Court	Retirement flats (34 x 1 beds)	34	Rent	Age exclusive
7	Nevill Lodge	Retirement flats (31 x 1 & 2 beds); new to market in 2021	31	Leasehold	Age exclusive
8	St David's Court	Retirement flats (36 x 1 & 2 beds)	36	Rent	Age exclusive

Source: <http://www.housingcare.org>

12. However, it is important to note that Table 6-1 only takes account of specialist accommodation for older people. Housing in the mainstream stock may be suitable, or capable of adaptation, to meet the need of people for support and care as they age. Section 5 has shown that there is a substantial stock of modest sized bungalows within the NA. These are often popular with older households because of their ability to provide level access and often larger plots which can provide space for parking and other mobility adaptations.

Tenure-led projections

13. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Lewes. This is the most recent and smallest geography for which tenure by age is available.
14. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2030. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
15. According to

16. Table **6-2** below, the vast majority of older households in the District own their own homes (87% of households). Just over 10% live in the social rented sector with a small additional proportion (almost 3%) renting privately. The proportion of private renters is likely to have increased since 2011 but the overall pattern of the dominance of home ownership persists.

Table 6-2: Tenure of households aged 55-75 in Lewes District, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
87.0%	61.2%	25.9%	13.0%	10.3%	2.5%	0.2%

Source: Census 2011

17. The next step is to project how the number of older people in Peacehaven & Telscombe is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Lewes District at the end of the Plan period. The figure is extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below. Population projections expect almost 16% of the population of the NA to be aged 75+ in 2030, compared to 11.4% in 2011. In absolute terms, this represents growth of around 1,300 people in this age group since 2011.

Table 6-3: Modelled projection of older population in Peacehaven & Telscombe by end of Plan period

Age group	2011 Peacehaven & Telscombe	Lewes	2030 Peacehaven & Telscombe	Lewes
All ages	21,544	97,502	24,086	109,006
75+	2,461	11,265	3,798	17,383
%	11.4%	11.6%	15.8%	15.9%

Source: ONS SNPP 2016, AECOM Calculations

18. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).
19. The people whose needs are the focus of the subsequent analysis are therefore the additional 1,337 individuals expected to join the 75+ age group by the end of the Plan period. The figure is 1,027 when growth from 2011 to 2019 is taken into account. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Lewes in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 11,265 individuals aged 75+ and 7,941 households headed by a person in that age group. The average household size is therefore 1.42, and the projected growth of 1,337 people in Peacehaven & Telscombe (2011-2030) can be estimated to be formed into around 917 households.
20. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4 below. This provides a breakdown of which tenures those households are likely to need. This projection expects an additional 819 owners and 122 renters within

the NA by 2030. Note that for the purposes of the Neighbourhood Plan, some of this growth has already occurred. The ONS parish projections suggest there were 2,771 people aged 75+ in 2019, representing growth of 310 people since 2011. This would translate into an additional 218 households from 2011-2019. This growth rate is substantially below that projected in household projections for Lewes which are applied to the NA. If the growth rate from 2019-2030 is at a similar rate to that projected by ONS population projections for the parishes, we would expect a similar number of over 75 households to be added to the population ie around 300 more. In practice, the projection in Table 6-4 is around 1/3 higher than would be expected from the population growth rates in the ONS 2019 population estimates for parishes. There is some uncertainty therefore around the scale of growth in the older population and older households.

Table 6-4: Projected growth in households aged 75+ in Peacehaven & Telscombe 2011-2030

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
819	576	244	122	97	23	2

Source: Census 2011, ONS Household Projections, AECOM Calculations

21. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 below presents this data for Peacehaven & Telscombe from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-5: Tenure and mobility limitations of those aged 65+ in Peacehaven & Telscombe, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	4,689	1,259	26.9%	1,194	25.5%	2,236	47.7%
Owned or shared ownership: Total	4,026	1,005	25.0%	1,012	25.1%	2,009	49.9%
Owned: Owned outright	3,468	855	24.7%	883	25.5%	1,730	49.9%
Owned: Owned with a mortgage or loan or shared ownership	558	150	26.9%	129	23.1%	279	50.0%
Rented or living rent free: Total	663	254	38.3%	182	27.5%	227	34.2%
Rented: Social rented	395	169	42.8%	106	26.8%	120	30.4%
Rented: Private rented or living rent free	268	85	31.7%	76	28.4%	107	39.9%

Source: DC3408EW Health status

22. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the period 2011-2030 is 491 households. As noted above, around one third of this growth is already likely to have occurred 2011-2019 (according to ONS parish population estimates). Whether the remaining growth materialises by 2030 is somewhat uncertain. Nevertheless, even growth based on trends 2011-2019 for the remaining years to 2030 would suggest substantial need for additional accommodation to meet the need for older households whose day to day activities are limited a lot. If the figures in Table 6-6 are pro rated to the Neighbourhood Plan period 2021-2030, annualised growth of around 25 households a year would translate into additional need for 232 specialist homes.
23. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-6: AECOM estimate of specialist housing need in Peacehaven & Telscombe over the period 2011-2030

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.	251
	47	205	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.	239
	33	206	
Total	80	410	491

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

24. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 below reproduces the key assumptions of HLIN's Strategic Housing for Older People

(SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

25. As Table 6-36-3 shows, Peacehaven & Telscombe is forecast to see an increase of 1,337 individuals aged 75+ by the end of the Plan period compared to the number in 2011. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 1.337 = 80$
- Leasehold sheltered housing = $120 \times 1.337 = 160$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 1.337 = 95$
- Extra care housing for rent = $15 \times 1.337 = 20$
- Extra care housing for sale = $30 \times 1.337 = 40$
- Housing based provision for dementia = $6 \times 1.337 = 8$

26.

27. Table below sets out the HLIN recommendations in the same format as Table 6- above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.
28. This produces an overall total of 335 specialist dwellings which might be required over the period 2011-2030. This represents an annualised rate of 17 specialist dwellings which equates to 159 specialist dwellings over the proposed Neighbourhood Plan period 2021-2030.

Table 6-8: HLIN estimate of specialist housing need in Peacehaven & Telscombe 2011-2030

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	95
	41.44	53.46	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	241
	80	160	
Total	122	214	335

Source: Housing LIN, AECOM calculations

Conclusions- Specialist Housing for the Older People

29. There are around 275 units of specialist accommodation within the NA. This only includes specialist housing for older people, including age restricted and retirement homes and a small number of extra care properties. It is relevant to note that the substantial stock of bungalows within the area are likely to provide suitable accommodation for some older people, particularly where adaptations have been made. It also does not include residential or nursing care homes as these are not defined as housing.
30. It is relevant to note that most of the existing specialist accommodation does not provide on site care or support. The majority of schemes are age restricted or retirement accommodation which do not include on site management. Only one scheme is defined as extra care where 24 hour care and support is available on site.
31. The majority of the 275 specialist units are social rented. There are only 85 leasehold units. Given that the vast majority of older households are home owners, the small supply of ownership opportunities in this sector is likely to limit choice for these households. However, it is important to keep in mind that these households have options within the mainstream housing stock, providing suitable care and support can be provided in this setting.
32. The older population in the NA is relatively large, compared to England as a whole, and expected to grow over the plan period. There is some uncertainty over the scale of growth which might be expected. Household projections applied to the NA expect an additional 1,337 people aged 75 and over between 2011-2030. However, ONS population estimates at the parish level estimate more modest growth of around 310 people between 2011-2019. If this rate is maintained, a similar growth might be expected between 2021-2030 (the plan period).
33. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population

projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

34. These two methods of estimating the future need in Peacehaven & Telscombe produce a range of 159 to 232 specialist accommodation units that might be required during the Plan period 2021-2030. These estimates are based on the projected growth of the older population, assuming that today's older households are already appropriately accommodated. Note also that the ONS parish population projections 2019 suggest that the growth of the older population has not been on the scale expected by the household projections (at the LPA level) used to produce these estimates. There is some uncertainty about the scale of need for specialist housing for older people therefore. Nevertheless, there is need for additional specialist accommodation to meet growth in the older population and, in particular, to provide choice to older households with care and support needs.
35. There is unlikely to be the volume of additional specialist supply during the Plan period on the scale that these estimates suggest might be required. However, another avenue open to the Neighbourhood Plan is to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
36. There is no policy in the current adopted Local Plan which sets targets or requirements for the proportion of new housing that might be required to meet option building regulation standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would justify applying such a target in the Neighbourhood Plan if this approach has the support of the LPA.
37. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey.
38. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and

- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
39. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
40. It is considered that Peacehaven & Telscombe is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Peacehaven & Telscombe in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.
41. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Conclusions

Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	<p>There are currently 235 households on the Council's waiting list who have indicated the need to live in Peacehaven or Telscombe (indicated by first preferences for these parishes). These households can be considered as the backlog of affordable housing need in the NA and provide a simple indication of the scale of need in the area.</p> <p>Taking into account newly forming households and the availability of affordable homes for let over time, our estimate suggests that there is a shortfall of around 15 homes per annum in Peacehaven & Telscombe for households who need affordable rented homes.</p> <p>A separate estimate of the number of households might wish to own their own home but cannot afford to – the 'can rent, can't buy' group suggests there are 86 households per annum who may be interested in affordable home ownership.</p> <p>It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.</p>	<p>The potential delivery of affordable housing through the Neighbourhood Plan housing requirement (minimum 255 homes) is just over 100 affordable homes (assuming a target of 40% affordable housing). The Neighbourhood Plan, therefore, has the potential to make a substantial contribution to affordable housing delivery if affordable housing targets are achieved.</p> <p>Delivery from the strategic allocation Lower Hoddern Farm site (allocated in the Local Plan) and existing completions and commitments in the early years of the Local Plan period will also contribute to affordable housing delivery in the NA.</p> <p>However, based on the estimates in this HNA, this level of affordable housing delivery would not address all of the identified needs when both affordable rented and affordable home ownership needs are taken together. This underlines the importance of meeting the affordable housing policy target of 40% wherever possible. The group may also wish to explore further avenues for delivering greater quantities of Affordable Housing through the identification of exception sites.</p> <p>Lewes's adopted policy on this subject has a target of 40% of all new housing to be affordable. On average, since 2015/16, Affordable Housing made up just 13% of new housing in the neighbourhood area. Although overall delivery has exceeded what is expected in terms of the Local Plan housing requirement, affordable housing delivery has been limited.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>The majority of households in Peacehaven & Telscombe own their homes. There are relatively low levels of renting and a small affordable housing stock compared to national levels and to Lewes District as a whole.</p> <p>Local households on average incomes are unable to access even entry-large homes unless they have the advantage of a very large deposit. Households need an income of around £65,800 to afford entry level house prices in the neighbourhood area.</p> <p>Private renting, at entry level rents is affordable to households with average incomes. However, households made up of one or two lower quartile earners cannot afford private rents, assuming they spend up to 30% of their gross income on rent. They are likely to need social/affordable rented housing, and may need support through housing benefit.</p> <p>There is a relatively large group of households in Peacehaven & Telscombe who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £39,800 per year (at which point entry-level rents become affordable) and £65,700 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and Shared Ownership.</p>	<p>AECOM suggest a mix of 60% social/affordable rented, 40% affordable home ownership. This maintains the priority for delivering rented housing but allows for some delivery of other forms of affordable home ownership in addition to the required 25% First Homes component.</p> <p>The analysis of affordability in this HNA highlights the large discounts required to make First Homes affordable to households on average incomes. Similarly, small shares need to be offered for Shared Ownership to be affordable. Rent to Buy may be more suitable for some households on reasonable incomes but without sufficient deposits. For this reason, whilst First Homes is likely to form the largest share of affordable home ownership housing, it would be useful to retain the flexibility to deliver other products locally.</p> <p>This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations in this report and other important factors such as viability and the availability of funding.</p> <p>Discounts of 50% are likely to be required to ensure First Homes are affordable to households on average incomes in the NA. Even at this level of discount, these properties may only just be at the margins of affordability for many households on average incomes.</p> <p>Shared ownership appears to demonstrate similar affordability to First Homes; at discounts of 25% and 50% it is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value. If this is delivered in the NA, it will make shared ownership easier to access for more people – to those on incomes of around £32,200.</p> <p>The evidence in this HNA suggests that the social/affordable rented sector performs a vital function in Peacehaven & Telscombe as the only option for a large segment of those in the greatest need.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>Peacehaven & Telscombe is home to a range of different ages and households types. The number of older people in the population has grown over time, with very limited or no growth in the size of other age groups. The number of older households has not grown as much as might be expected but there has been significant growth in the proportion of households with non dependent children. This has suppressed the formation of single and couple older households. It is likely to have been driven in large part by affordability challenges for younger people.</p> <p>The existing dwelling stock has a bias towards bungalows. The dominance of this house type also means that the largest proportion of homes are 2 and 3 bedroom properties. These properties may occupy large plots, especially detached bungalows, but they often have fewer rooms.</p> <p>There is evidence that the stock of larger properties (4 bed plus) has fallen in recent years and this is likely to be driven by the conversion of larger properties into smaller dwellings. Bungalows on larger plots are likely to provide opportunities for this type of conversion and redevelopment in particular.</p> <p>The proportion of larger (4+ bed) properties in the NA is small compared to the District and England levels. This is likely to restrict opportunities for some family type households to move within or to the area, though affordability of larger properties will also be a significant barrier for some households.</p>	<p>The modelling exercise in this HNA suggests some prioritisation should be given to the provision of larger properties to address imbalance in the stock.</p> <p>However, the delivery of a range of property types and sizes is likely to be appropriate given the issues identified with affordability for younger households and evidence to suggest that many larger properties have been converted to smaller properties in recent years in response to market pressures.</p> <p>There is a need for a range of different sized homes to meet the needs of households on the waiting list in the NA. Demand is highest from households who need 1 bedroom properties but there is also substantial need from households needing family sized accommodation (3 bed plus).</p>

Specialist housing for older people	<p>There are around 275 units of specialist accommodation within the NA. This only includes specialist housing for older people, including age restricted and retirement homes and a small number of extra care properties. It does not include residential or nursing care homes as these are not defined as housing. It is relevant to note that the substantial stock of bungalows within the area is likely to provide suitable accommodation for some older people, particularly where adaptations have been made.</p> <p>Most of the existing specialist accommodation does not provide on site care or support. The majority of schemes are age restricted or retirement accommodation which do not include on site management. Only one scheme is defined as extra care where 24 hour care and support is available on site.</p> <p>The majority of the 275 specialist units are social rented. There are only 85 leasehold units. Given that the vast majority of older households are home owners, the small supply of ownership opportunities in this sector is likely to limit choice for these households. However, these households have options within the mainstream housing stock, providing suitable care and support can be provided in this setting.</p> <p>The older population in the NA is relatively large, compared to England, and expected to grow over the plan period. There is some uncertainty over the scale of growth which might be expected. Household projections applied to the NA expect an additional 1,337 people aged 75+ over 2011-2030. However, ONS parish population estimates suggest more modest growth of around 310 people between 2011-2019. If this rate is maintained, a similar growth might be expected between 2021-2030 (plan period).</p> <p>Two estimates of the future need in Peacehaven & Telscombe produce a range of 159 to 232 specialist accommodation units that might be required during the Plan period 2021-2030. There is some uncertainty about the scale of need, nevertheless, there is need for additional specialist accommodation to meet growth in the older population and to provide choice to older households with care and support needs.</p>	<p>There is no policy in the current adopted Local Plan which sets targets or requirements for the proportion of new housing that might be required to meet option building regulation standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would justify applying such a target in the Neighbourhood Plan if this approach has the support of the LPA.</p> <p>It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey.</p> <p>While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations.</p> <p>It is considered that Peacehaven & Telscombe is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Peacehaven & Telscombe in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.</p>
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Recommendations for next steps

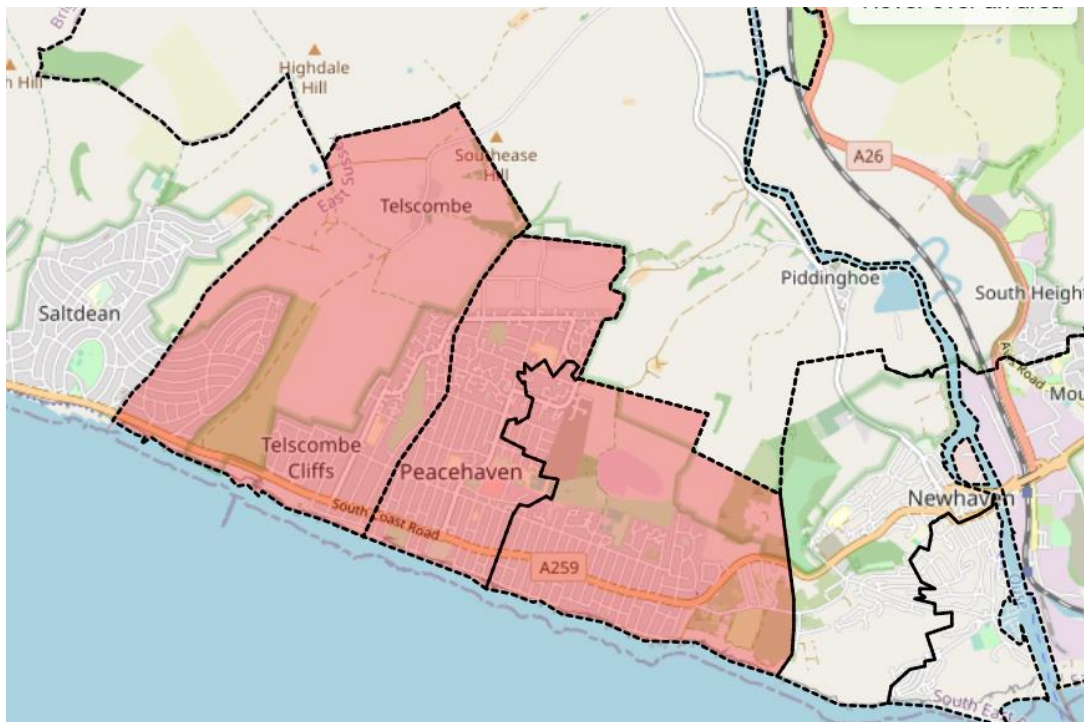
43. This Neighbourhood Plan housing needs assessment aims to provide the Neighbourhood Plan Steering Group with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Lewes District with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Lewes District;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Lewes District.
44. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
45. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Lewes District or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
46. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

47. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
48. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Peacehaven & Telscombe, it is considered that three MSOAs (E02004384, E02004385, E02004388) comprise the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of the three MSOAs appears below in Figure A-1.

Figure A-1: MSOAs which make up the best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

49. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
50. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

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

52. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Peacehaven & Telscombe, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
53. The calculation for the purchase threshold for market housing is as follows:
 - Value of a median NA house price (2020) = £288,975;
 - Purchase deposit at 10% of value = £29,998;
 - Value of dwelling for mortgage purposes = £269,978;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £77,136.
54. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £255,750, and the purchase threshold is therefore £65,764.
55. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 18 sales of new build properties in the NA in 2020. This is a small sample size and likely to be skewed by particular schemes or types and sizes of properties. For this reason, the new build price in the District is used. The average new build house price in Lewes in 2020 was £380,455, requiring a purchase income threshold of £97,831.

ii) Private Rented Sector (PRS)

56. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
57. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
58. The property website [Home.co.uk](https://www.home.co.uk). The best available data is derived from properties available for rent within the BN10 postcode area.
59. According to [home.co.uk](https://www.home.co.uk), there were 10 properties for rent at the time of search in July 2020, with an average monthly rent of £1,086. There were 3 two-bed properties listed, with an average price of £995 per calendar month.
60. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
 - Annual rent = £995 x 12 = £11,940;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £39,800.
61. The calculation is repeated for the overall average to give an income threshold of £43,440.

A.3 Affordable Housing

62. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

63. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
64. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for the NA. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Lewes District in the table below.
65. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£89.04	£98.61	£114.47	£123.13	£99.81
Annual average	£4,630	£5,128	£5,952	£6,403	£5,190
Income needed	£18,520	£20,511	£23,810	£25,611	£20,760

Source: Homes England, AECOM Calculations

ii) Affordable rent

66. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
67. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
68. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Lewes. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
69. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 70% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need. However, affordable rents for 4 bed properties are higher than entry level and average market rents so affordability is likely to be stretched for many households who need these larger homes.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£126.72	£161.49	£187.82	£244.67	£156.34
Annual average	£6,589	£8,397	£9,767	£12,723	£8,130
Income needed	£26,358	£33,590	£39,067	£50,891	£32,519

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

71. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

72. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
73. The starting point for these calculations is therefore the estimated cost of median average housing in Peacehaven & Telscombe noted above of £288,975.
74. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a home (NA median average) = £288,975;
 - Discounted by 30% = £209,983;
 - Purchase deposit at 10% of value = £20,998;
 - Value of dwelling for mortgage purposes = £188,984;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £53,996.
75. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £46,282 and £38,568 respectively.
76. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
77. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Peacehaven & Telscombe.

Shared ownership

78. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
79. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
80. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
81. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £299,975 is £74,994;
 - A 10% deposit of £7,499 is deducted, leaving a mortgage value of £67,494;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,284;

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £224,981;
 - The estimated annual rent at 2.5% of the unsold value is £5,625;
 - This requires an income of £18,748 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £38,033 (£19,284 plus £18,784).
82. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £30,212 and £51,067 respectively.
83. These income thresholds are all below the £80,000 cap for eligible households.

Rent to buy

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

Help to Buy (Equity Loan)

85. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
86. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²¹.

²¹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²²

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²³

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

Concealed Families (Census definition)²⁴

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

Equity Loans/Shared Equity

²² See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

²³ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁴ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁵, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

²⁵ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This

could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²⁶

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

Strategic Housing Land Availability Assessment

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

²⁶ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁷

²⁷ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

