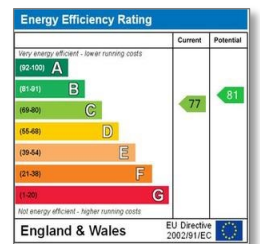




South Gloucestershire Local Housing Needs Assessment

Report of Findings
December 2023





Opinion Research Services, The Strand, Swansea SA1 1AF

Jonathan Lee, Scott Lawrence, Nigel Moore, Hugo Marchant, Elliot Muldoon, Trevor Baker, Hanna Lloyd

Enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

© Copyright 2023

The below copyrights acknowledge the open-source data that is provided by the respective bodies and is used throughout this document

May contain Ordnance Survey data © Crown copyright and database right 2023

May contain Royal Mail data © Royal Mail copyright and database right 2023

May contain National Statistics data © Crown copyright and database right 2023

May contain public sector information licensed under the Open Government Licence v3.0

Contents

1. Introducing the Study	5
Introduction.....	5
Government Policy	5
2. Establishing Local Housing Need	6
Introduction.....	6
Setting the Local Housing Need in Context.....	6
Establishing the Housing Target.....	8
Dwelling-led Population and Household Projections.....	9
Disaggregating the Local Housing Need figure for South Gloucestershire	11
Projected Population Age Profile	13
Household Projections by Age	14
Projected Household Types.....	15
3. Local Housing Market	16
Introduction.....	16
Housing Tenure Trends	16
Cost of Renting	20
Cost of Home Ownership	25
Identifying the Gap for Affordable Home Ownership.....	28
Summary of Low-Cost Home Ownership Options.....	31
4. Affordable Housing Need	32
Introduction.....	32
Assessing the Needs of Households Unable to Afford Market Rent.....	33
Current Unmet Needs of Households Unable to Afford Market Housing	34
Projected Future Need of Households Unable to Afford Market Housing	36
Overall Affordable Housing Need of Households Unable to Afford Market Housing.....	40
Future Policy on Housing Benefit in the Private Rented Sector.....	41
Assessing the Needs of Households Aspiring to Homeownership.....	42
Home Ownership Trends	42
Establishing the number of households aspiring to home ownership	43
Identifying the Need for Affordable Homeownership	44
Identifying the Overall Affordable Housing Need	47
Establishing Overall Housing Mix	48
Establishing the Affordable Housing Policy Target	51
5. Needs of Different Groups	52
Introduction.....	52
Housing for Older People	52
Older People in South Gloucestershire	52
Identifying the Need for Specialist Older Person Housing	55
Reviewing the Existing Stock of Specialist Older Person Housing.....	57

Establishing the Future Need for Specialist Older Person Housing	60
Housing for People with Disabilities.....	63
Need for Accessible and Adaptable Dwellings.....	65
Housing for Wheelchair Users.....	68
Accommodation for Young People Leaving Care	70
Student Housing.....	71
Service Families	73
Essential Local Workers.....	74
People Wishing to Build their Own Homes	75
Appendix A.....	81
Acronyms and Initials	85
Table of Figures.....	86

1. Introducing the Study

Background to the project

Introduction

- 1.1 South Gloucestershire Council appointed Opinion Research Services (ORS) to prepare a Local Housing Needs Assessment (LHNA).
- 1.2 The latest National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) sets out how Local Plans should provide for objectively assessed needs for housing (including affordable housing). The LHNA provides robust evidence about the need for housing over the period 2025-2040.

Government Policy

- 1.3 NPPF Paragraph 60 identifies that Local Plans should support the Government's objective of significantly boosting the supply of homes. Paragraphs 61 and 62 state that:

To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

- 1.4 The “*standard method in national planning guidance*” sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is constrained to a minimum figure that is determined centrally by the Government.
- 1.5 When considering the need for affordable housing, it is important to recognise that the NPPF has introduced a new definition. Whilst affordable housing was previously for households “*whose needs are not met by the market*”, the current definition also includes “*housing that provides a subsidised route to home ownership and/or is for essential local workers*”. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need, which states that assessments must now include the needs of “*those that cannot afford their own homes, either to rent, or to own, where that is their aspiration*” [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership are now counted as being in affordable housing need.

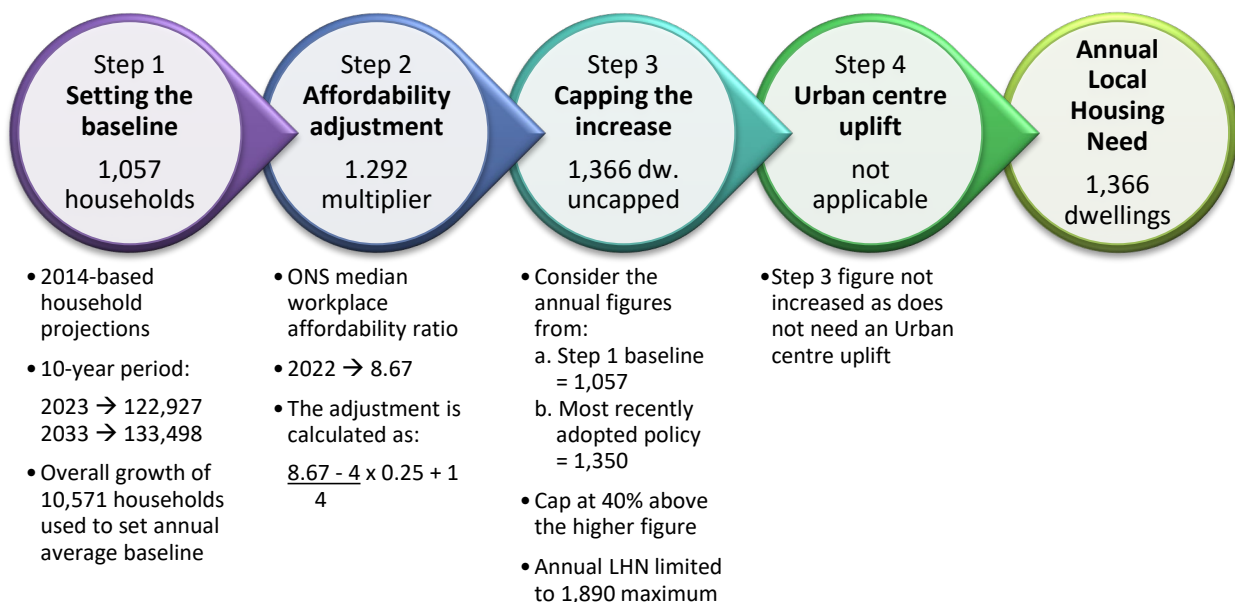
2. Establishing Local Housing Need

Standard Method in National Planning Guidance

Introduction

- 2.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20201216] the minimum annual Local Housing Need figure can be established as follows. Based on these calculations, the LHN figure for South Gloucestershire is currently 1,366 dwellings per year uncapped.

Figure 1: Annual Local Housing Need for South Gloucestershire based on the Government's standard method calculation



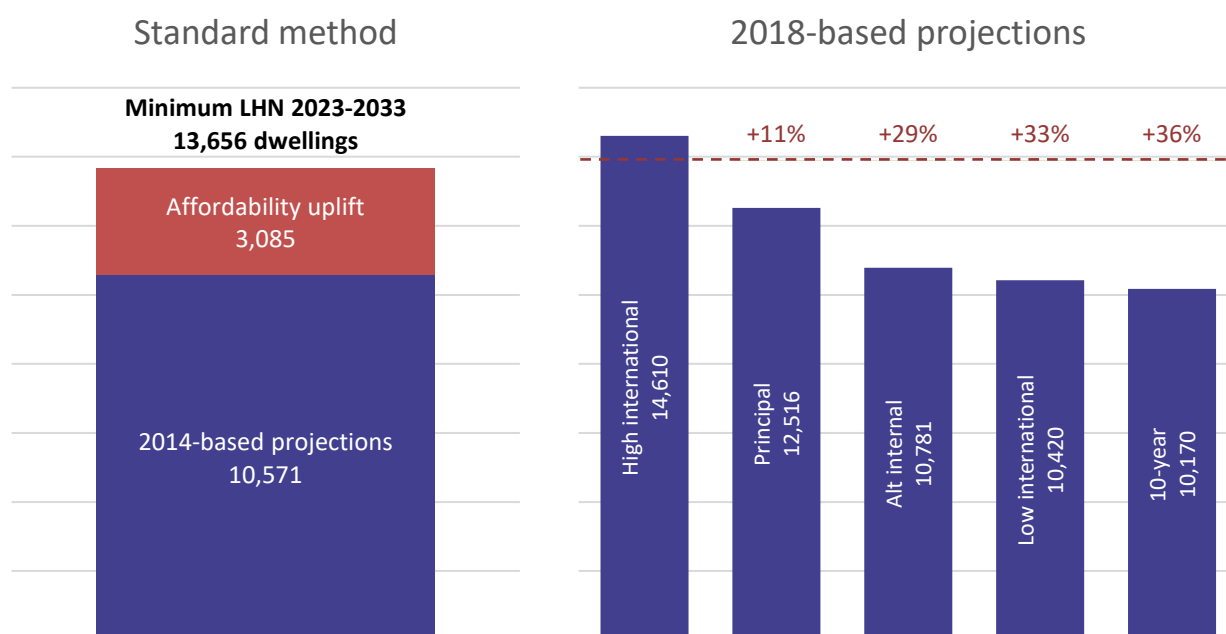
Setting the Local Housing Need in Context

- 2.2 The minimum Local Housing Need figure that the Government's standard method calculation identifies for South Gloucestershire can be set in the context of the current and future demographic trends.
- 2.3 The latest figures published by the ONS are the 2018-based household projections, informed by the 2018-based sub-national population projections. The Office for Statistics Regulation (OSR) has designated both publications as National Statistics, which means that they are fully compliant with the Code of Practice for Statistics and meet the highest standards of trustworthiness, quality and value.
- 2.4 There is often debate around how many years of data should be used to inform the projected population change at local level. In general, the ONS uses five years of data, but just two years of data was used for internal migration in the 2018-based principal population projection as only two years of data was available using the current method. The ONS also published a range of variant projections:

- » High international migration variant;
- » Low international migration variant;
- » Alternative internal migration variant;
- » 10-year migration variant.

2.5 The high and low international migration variants assume either higher or lower levels of net international migration to England as a whole, but the proportional distribution at local authority level remains the same. The alternative internal migration variant uses five years of data for internal migration (two using the new method and three using the old method); and the 10-year migration variant uses 10 years of data for all migration trends (internal, cross-border and international).

Figure 2: Comparing the standard method figure with the official household projections for South Gloucestershire 2023-2033
(Source: 2014-based household projections, CLG; 2018-based household projections, ONS)



2.6 For the 10-year period 2023-2033, the latest official projections identify a growth of between 10,170 and 14,610 households for South Gloucestershire, based on the 10-year migration and the high international migration variant projections respectively. On this basis, the Local Housing Need figure identified by the Government's standard method calculation would not meet the household growth identified by the highest projection yet represents an uplift of 36% of the growth identified by the lowest scenario.

2.7 Considering the other projections:

- » The principal projection identifies a growth of 12,516 households (based on 2-year trends for internal migration) and the standard method figure represents an uplift of 11%;
- » The alternative internal migration variant identifies a growth of 10,781 households (based on 5 years of data for all migration trends) and the standard method figure represents an uplift of 29%;
- » The low international migration variant identifies a growth of 10,420 households, and the standard method figure represents an uplift of 33%.

- 2.8 For the purposes of assessing housing need, ORS would normally take a 10-year migration trend as this typically provides a more stable projection for plan-making. This was the approach that was recommended by the Strategic Housing Market Assessment that ORS produced for the West of England before the Government's standard method was introduced. Whilst the 10-year migration trend variant scenario projects the lowest rate of growth for South Gloucestershire from the 2018-based population and household projections, it provides a reasonable demographic scenario for the LHNA to consider as a baseline that is not unduly influenced by recent short-term trends. On this basis, it is clear that the standard method figure would provide more homes than needed to meet the household projection-based housing need.

Establishing the Housing Target

- 2.9 The LHN provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.

Planning Practice Guidance, ID 2a-001-20190220

- 2.10 In determining the local plan housing target, it will be necessary for the local authority to consider whether, or not, the LHN could be met within the area, taking account of any constraints on land availability. Where local authorities are unable to meet their LHN in full, it is necessary to engage with neighbouring authorities through the Duty to Co-operate (DtC) discussions. This should establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas.
- 2.11 It is important to recognise that the Duty to Co-operate itself constitutes a legal obligation, and failure to comply is likely to result in the Local Plan being found unsound and having to be withdrawn. It is therefore essential for these cross-boundary issues to be properly addressed as part of the plan-making process. The West of England local planning authorities continue to work together under the Duty to Co-operate to consider the extent of any potential unmet housing need for the City of Bristol.
- 2.12 However, the PPG also indicates that the housing comprising the 35% housing uplift (which applies to Bristol) is expected to be met within the boundaries of the authority in question (rather than the surrounding areas) and therefore this part of the Local Housing Need figure would be excluded from any DtC discussion relating to unmet need:

Where should the cities and urban centres uplift be met?

This increase in the number of homes to be delivered in urban areas is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations...

Planning Practice Guidance, ID 2a-035-20201216

Dwelling-led Population and Household Projections

- 2.13 Although the standard method calculation is informed by the 2014-based household projections, the affordability adjustments results in the LHN figure being notably higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation. Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected based on past trends alone. In assessing the appropriate mix of housing, it is necessary to establish projections that align with the number of homes identified.
- 2.14 The demographic projections for the LHNA are based on the latest official projections and cover the period to 2040. They are informed by the latest ONS mid-year estimates (for the period to mid-2021) and outputs from the 2021 Census and take account of the most up-to-date fertility and mortality rates and the latest migration trends.
- 2.15 Whilst recent trends provide the starting point, the dwelling-led projections seek to align household growth with the LHN target through aggregating key assumptions:
- » The starting population is the mid-2021 Census-based estimates, projected forward to 2025 based on the detailed modelling data from the ONS 2018-based sub-national population projections;
 - » Household growth is established for the 15-year plan period 2025-2040 using trend-based projections informed by the 2018-based 10-year migration trend variant scenario;
 - » Institutional population growth needing communal accommodation over the 15-year plan period is established using rates from the 2021 Census;
 - » Dwellings without a usually resident household either vacant homes, second homes or holiday lets are estimated based on rates from the 2021 Census. This includes any properties which are temporarily vacant due to households moving out before a new household moves in, as well as properties which have no usual resident due to them being second homes or holiday lets;
 - » Household formation rates are based on rates from the 2021 Census, but higher formation rates are also tested with each age group assumed to return to peak of all rates recorded since 2001; and
 - » The rate of inward domestic migration is increased to ensure that population and household growth aligns with the number of dwellings identified by the LHN target.
- 2.16 Dwelling-led demographic projections can result in a larger or smaller resident population, depending on the assumptions taken about household formation and the resulting average household sizes. In other words, the same number of homes could accommodate fewer people living in smaller households, or more people as larger households.
- 2.17 It is often argued that if more housing had been delivered over the period since 2001 at a price that was sufficiently affordable for local residents, more young people would have been able to form new households and average household sizes would have continued to fall. However, there are many socio-economic factors driving the change in household formation.
- » Increased participation rates for higher education mean that many young adults will no longer seek a job when they leave school; and whilst youngsters entering employment would often leave home permanently at that time and many would not return, far more tend to return to their family home after completing university – especially those that have yet to secure employment after graduating;

- » Young couples are now less likely to form lifetime partnerships in their late teens and early twenties than had been the norm for previous generations; and the absence of such long-term relationships inevitably leads to fewer couples choosing to get married or otherwise cohabit;
- » There are different cultural approaches to young adults living independently, with some groups choosing to live as extended families, so changes in the ethnic mix of the population over time has also impacted on household formation.

2.18 On this basis, it is clear that housing supply and affordability is one of many drivers affecting household formation – but when establishing housing need, it is important to also take account of any historic under-supply which could have resulted in higher numbers of multi-adult and multi-family households and more young adults living with their parents. The LHNA projections are based on increased household formation for residents aged under 45, assuming that household representative rates are no lower than the rates recorded in 2001 for each age group. Whilst it is not possible to directly influence household formation, ensuring that sufficient housing is provided will help enable young households to form should they choose to do so.

2.19 The LHNA has therefore tested two primary scenarios for housing need:

- » Scenario 1 is based on the demographic baseline, which reflects household growth reducing in later years of the projection as a consequence of the increasing number of deaths projected, with dwelling growth averaging 981 dpa over the 15-year period 2025 to 2040;
- » Scenario 2 is based on the standard method local housing need of 1,366 dpa, which leads to higher rates of domestic migration in latter years to offset the increasing deaths.

2.20 Figure 3 shows the dwelling growth identified and Figure 4 sets out the key outputs for each of the two housing need scenarios.

Figure 3: Dwelling growth identified by the LHNA scenarios for housing need (Source: LHNA modelling, ORS)

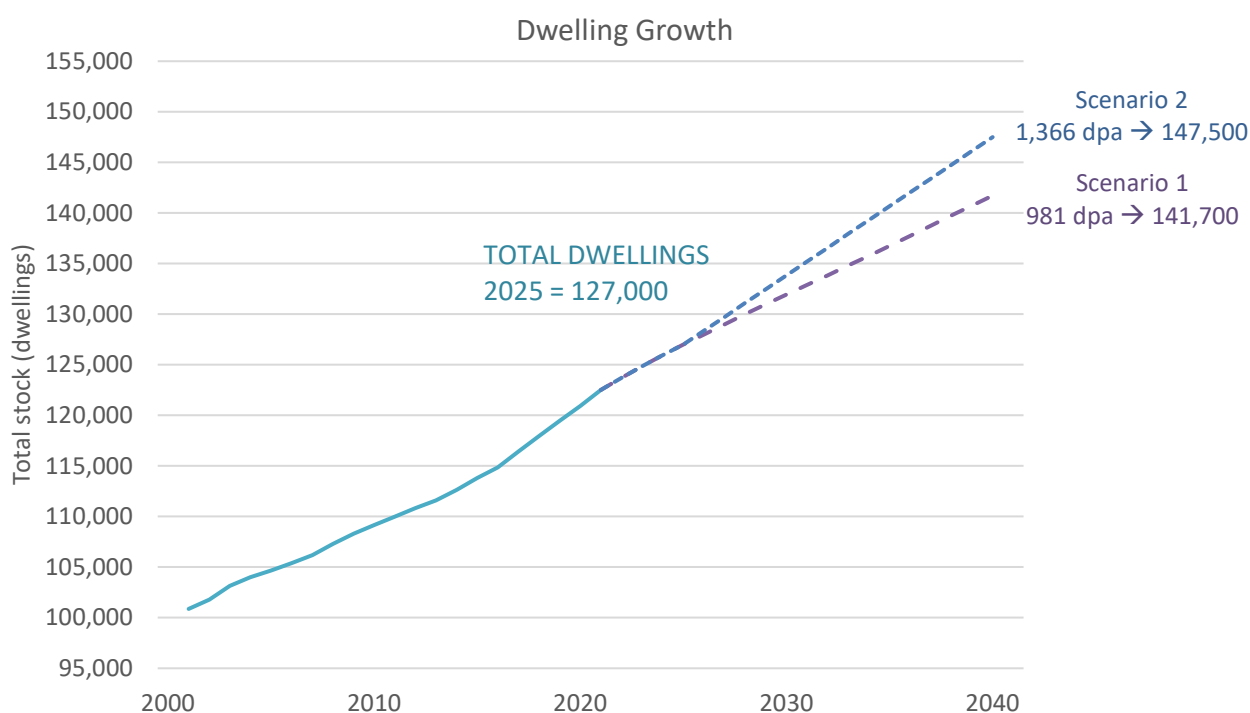


Figure 4: Key outputs from the LHNA housing need scenarios (Source: LHNA modelling, ORS)

	Scenario 1 Demographic baseline with 10-yr migration	Scenario 2 Standard Method calculation
Annual average dwelling growth	981	1,366
Total 15-year dwelling growth	14,710	20,490
Population projected in 2040	327,500	335,700
Economically active population growth	14,700	19,500

- 2.21 Housing need based on the most recent official household projections (Scenario 1) identified a lower rate of growth than the standard method, suggesting that providing 14,715 dwellings (981 per year) would be sufficient to enable current demographic trends to continue. This would yield an overall population of 327,500 persons resident in the area by 2040 with an increase of almost 15,000 economically active. Nevertheless, it is likely that a lower-level employment growth could be supported, given the well-established patterns of net outward commuting to the City of Bristol and other surrounding areas.
- 2.22 The dwelling-led projections based on the housing need identified by the standard method (Scenario 2) identified a housing need of 20,490 dwellings (1,366 per year) to provide for future household growth and also address past housing under-delivery. This is likely to yield an extra 8,200 residents over the 15-year Plan period, with an overall population of 335,700 persons by 2040. The analysis also identified almost an additional 5,000 economically active residents, with an overall increase of 19,500 workers.
- 2.23 Given that the NPPF requires strategic policies to normally be informed by a local housing need assessment conducted using the standard method, the LHNA analysis is primarily based on the Scenario 2 projections. However, should it be necessary to take account of any unmet needs from neighbouring areas, it will be important to also consider the conclusions from any LHNA analysis that relates to those specific needs.

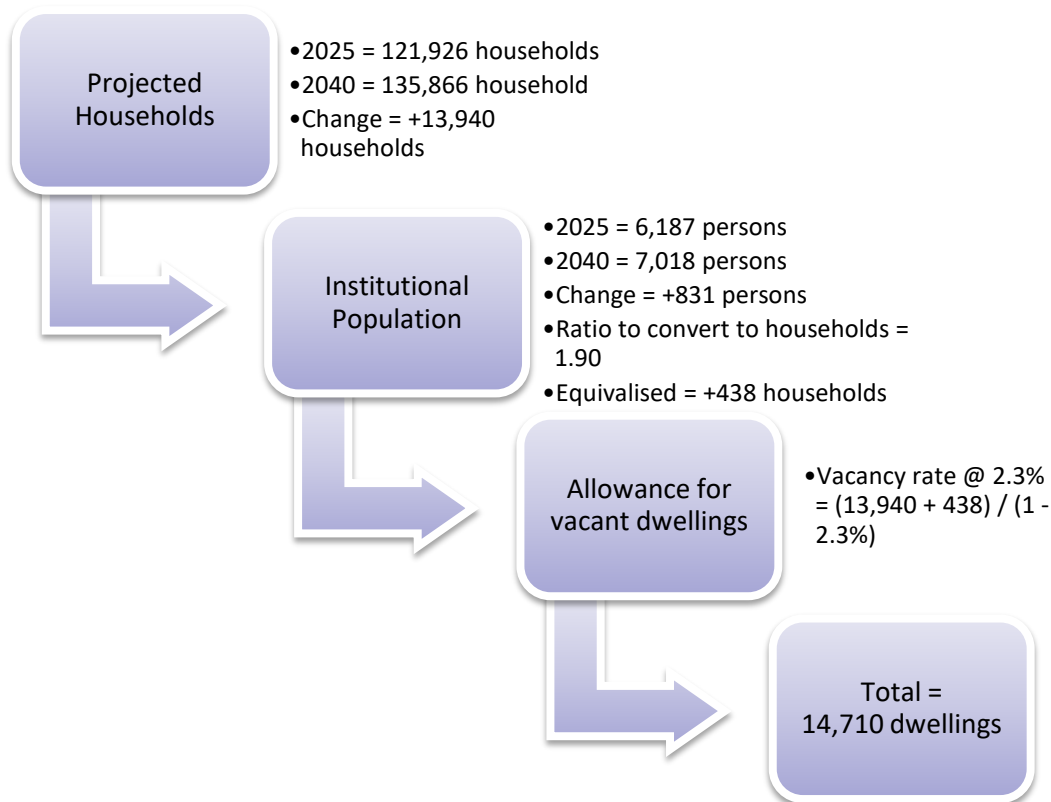
Disaggregating the Local Housing Need figure for South Gloucestershire

- 2.24 Although the LHN figures are informed by the trend-based household projections, the uplifts that are applied mean that the LHN figure is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation. Figure 5 sets out the separate elements that contribute to the LHN, which include:
- » Household growth over the 15-year period calculated on trend-based projections;
 - » Institutional population growth over the 15-year period needing communal accommodation;
 - » Dwellings without a usually resident household (either vacant homes or second homes);
 - » Additional dwellings to respond to pent-up housing market pressure.
- 2.25 Institutional population growth refers to the increase in the population living in communal establishments, such as care homes, prisons, defence bases and student halls of residence. This group are not counted within the household population (those that live as household in a dwelling); but are within the total population. The Housing Delivery Test measurement rule book includes bedspaces in communal accommodation as part of the housing delivery.¹ The calculation used to establish the housing need arising from the project growth in communal establishment residents (i.e. convert the communal population to a household equivalent) is

¹ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

the change in communal/institutional population divided by the average number of adults per household based on Census data. For South Gloucestershire, the average was 1.90 persons.

Figure 5: Elements of housing need – South Gloucestershire (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)

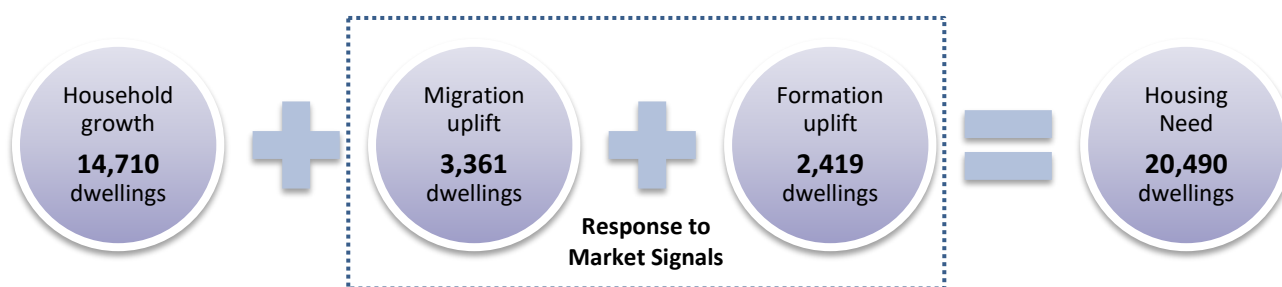


2.26 On this basis, we can conclude that the household projection-based housing need is 14,710 dwellings over the 15-year period 2025-2040. This provides the basis for Scenario 1.

2.27 Scenario 2 identified the local housing need to be 1,366 dwellings per annum based on the standard method, which translates to 20,490 dwellings over the 15-year Plan period. This represents 5,780 dwellings additional to the Scenario 1 household projection-based housing need. This additional need is made up from two elements:

- » Enabling more households to form² (from the pent-up housing demand) = 2,419 dwellings
- » Enabling more net inward migration³ = 3,361 dwellings

Figure 6: Components of the evidence-based annual Local Housing Need figure for South Gloucestershire



² Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

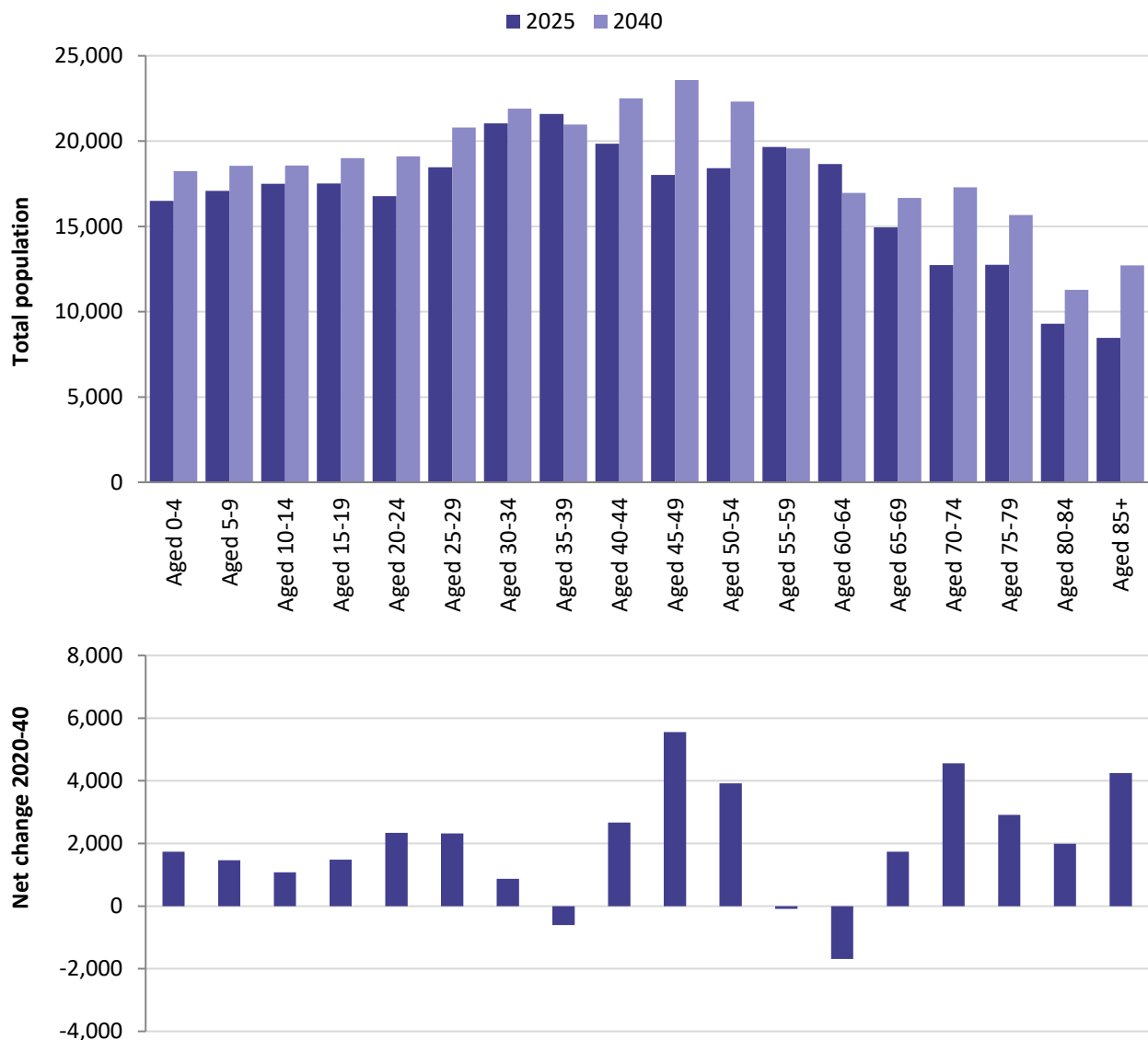
³ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration

Projected Population Age Profile

2.28 Figure 7 shows the projected change in South Gloucestershire population by 5-year age band for the 15-year period 2025-40 based upon demographic growth as set out in Scenario 2.

2.29 The overall population is projected to increase from around 299,200 persons in 2025 to 335,700 persons by 2040, which represents a growth of 36,500 persons (12%) over the 15-year period. The older age groups account for a significant proportion of the overall growth: the population aged 65 to 74 is projected to increase by 6,300 persons with an increase of 9,200 persons aged 75 or over (including 4,300 aged 85+), which collectively represent 42% of the overall growth. This is particularly important when establishing the types of housing required and the need for housing specifically for older people.

Figure 7: Population projections 2025-40 by 5-year age cohort for South Gloucestershire (Source: LHNA modelling, ORS)



Household Projections by Age

- 2.30 Figure 8 summarises the total number of households in South Gloucestershire in 2025 and 2040 in terms of the age of household representatives (the eldest economically active person in the household) together with the change in the number of households in each category over the period 2025-40 using 10-year age bands. Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. The increase in households aged 65+ represents over half (51%) of the overall household growth. Many of these older households will already be established and living in existing homes; they will simply get older during the 15-year period. It is therefore also important to consider household growth in relation to age cohorts.

Figure 8: Total projected households in South Gloucestershire for 2025 and 2040 and summary of 15-year change by age of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)

Age of Household Representative	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2025	2,700	16,500	22,300	21,200	22,900	15,600	14,800	5,900	121,900
2040	4,100	18,400	24,200	26,800	21,900	19,200	18,100	8,900	141,500
TOTAL CHANGE 2025-40	+1,400	+1,900	+1,900	+5,600	-1,100	+3,600	+3,300	+3,000	+19,600

- 2.31 Figure 9 shows the projected number of households in each cohort, showing their age in 2025 and 2040.

Figure 9: Total projected households in South Gloucestershire for 2025 and 2040 and summary of 15-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)

Age in 2025	<10	10-19	20-29	30-39	40-49	50-59	60-69	70+	TOTAL
Age in 2040	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2025	-	1,300	9,600	19,400	21,800	22,100	19,200	28,500	121,900
2040	4,100	18,400	24,200	26,800	21,900	19,200	18,100	8,900	141,500
TOTAL CHANGE 2025-40	+4,100	+17,100	+14,600	+7,400	+100	-2,900	-1,200	-19,600	+19,600

- 2.32 Based on the cohort analysis, it is apparent that a total of around 43,300 extra households aged under 65 (in 2040) will be likely to form in South Gloucestershire over the 15-year period 2025-40. However, this growth is offset against a reduction of 23,700 households aged 65 or over (in 2040) to yield an increase of 19,600 households overall. Most of this reduction is due to household dissolution following death (although some may result from net migration); for example:

- » Around 28,500 households were aged 70+ in 2025, who would be aged 85+ by 2040 if they were survive to that age;
- » However, by 2040 the number of households aged 85+ is projected to be around 8,900 (after allowing for deaths) which represents a reduction of 19,600 households (note that it is co-incidental that this figure rounds to the same total as the overall projected growth).

- 2.33 Therefore, although the increase in overall households is largely within the groups aged 65 or over, most of the new households seeking housing will be in their twenties and thirties at the time that they form. However, the overall number of new households will be considerably higher than the net household growth; and it is important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

Projected Household Types

2.34 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.

2.35 Figure 10 shows the household numbers for South Gloucestershire for 2025 and 2040 based on the Scenario 2 projections by household type and age; together with the net change for each group. This is based on the number in each age category rather than the number in each age cohort, as it is assumed that housing needs are more likely to be influenced by the actual age rather than the year of birth.

Figure 10: Total projected households for 2025 and 2040 and summary of 15-year change by household type and age of household representative for South Gloucestershire (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2025	Single person	630	3,030	3,120	3,840	5,590	5,470	6,560	3,730	32,000
2025	Couple without children	590	5,290	2,790	5,470	12,460	8,960	7,370	1,800	44,700
2025	Families with child(ren)	470	6,390	14,650	9,400	1,940	90	30	0	33,000
2025	Other households	970	1,800	1,750	2,530	2,930	1,040	810	380	12,200
2025	TOTAL	2,700	16,500	22,300	21,200	22,900	15,600	14,800	5,900	121,900
2040	Single person	970	3,380	3,390	4,850	5,330	6,740	8,020	5,610	38,300
2040	Couple without children	910	5,900	3,030	6,900	11,880	11,050	9,020	2,700	51,400
2040	Families with child(ren)	730	7,120	15,890	11,860	1,850	120	40	0	37,600
2040	Other households	1,490	2,000	1,900	3,200	2,800	1,280	990	580	14,200
2040	TOTAL	4,100	18,400	24,200	26,800	21,900	19,200	18,100	8,900	141,500
Change	Single person	+340	+350	+260	+1,010	-260	+1,270	+1,460	+1,880	+6,300
Change	Couple without children	+320	+610	+240	+1,430	-580	+2,080	+1,640	+900	+6,600
Change	Families with child(ren)	+250	+730	+1,240	+2,460	-90	+20	+10	+0	+4,600
Change	Other households	+520	+210	+150	+660	-140	+240	+180	+190	+2,000
Change	TOTAL	+1,400	+1,900	+1,900	+5,600	-1,100	+3,600	+3,300	+3,000	+19,600

2.36 In summary, over the 15-year period 2025-40 for South Gloucestershire, the projections show (Figure 10):

- » An overall growth of 19,600 households;
- » Single person households represent almost a third of the overall household growth (6,300, 32%) with almost three quarters of these (4,610, 73%) being single persons aged over 65;
- » Couples without dependent children represent almost a further third of the growth (6,600, 34%);
- » Families with dependent children make up approximately a quarter of the overall household growth (4,600, 23%);
- » Other types of household contribute a further 2,000 households. These include multi-generation living, student households and Houses in Multiple Occupation (HMOs).

3. Local Housing Market

Housing trends and housing costs in South Gloucestershire

Introduction

- 3.1 This chapter explores the cost of housing in South Gloucestershire and the incomes needed to rent or buy at market prices. It highlights the potential income gaps and seeks to identify where and how people may fall into affordable housing need. This includes consideration of social and affordable rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

- 3.2 When considering the local housing market, it is worth noting the historic changes to tenure in South Gloucestershire, as recorded by past Censuses.
- 3.3 The following figures summarise the changing trends based on detailed Census data:

Figure 11: Number of Households by Tenure in South Gloucestershire 1991-2021 (Source: UK Census of Population)

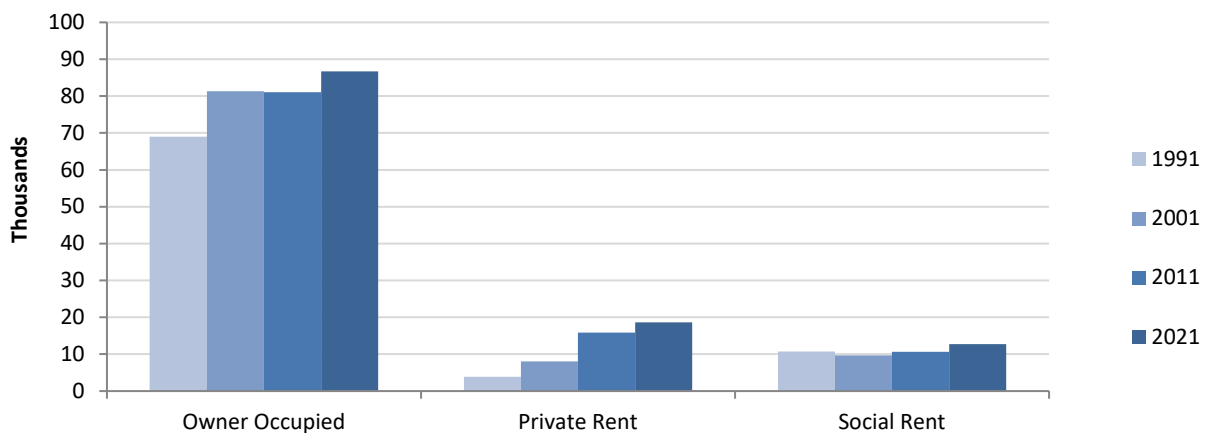


Figure 12: Percentage of Households by Tenure in South Gloucestershire 1991-2011 (Source: UK Census of Population)

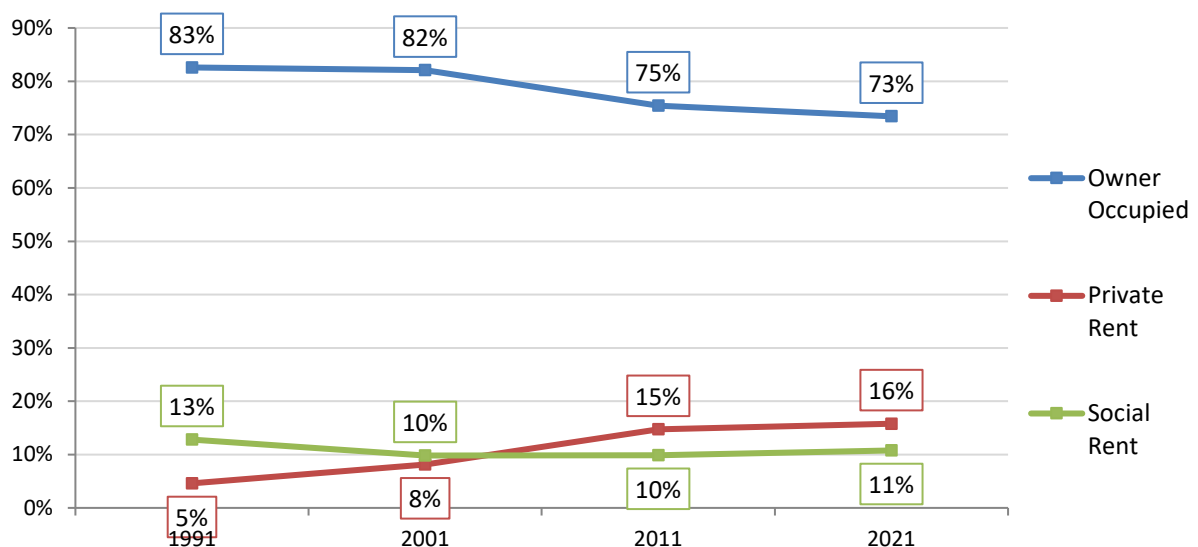


Figure 13: Number of Households in South Gloucestershire by Tenure 1991-2021 (Source: UK Census of Population)

SOUTH GLOUCESTERSHIRE	Number of Households in 1991	Number of Households in 2001	Number of Households in 2011	Number of Households in 2021	Net Change between 1991-2001	Net Change between 2001-2011	Net Change between 2011-2021
Owner occupied	68,962	81,286	81,083	86,723	+12,324	-203	+5,640
Private rent	3,842	8,024	15,822	18,640	+4,182	+7,798	+2,818
Social rent	10,693	9,728	10,633	12,738	-965	+905	+2,105
TOTAL	83,497	99,038	107,538	118,101	+15,541	+8,500	+10,563
Owner occupied	82.6%	82.1%	75.4%	73.4%	-0.5%	-6.7%	-2.0%
Private rent	4.6%	8.1%	14.7%	15.8%	+3.5%	+6.6%	+1.1%
Social rent	12.8%	9.8%	9.9%	10.8%	-3.0%	+0.1%	+0.9%
TOTAL	100.0%	100.0%	100.0%	100.0%	+18.6%	+8.6%	+9.8%

- 3.4 Over the 30-year period 1991-2021, the number of households resident in South Gloucestershire has increased from around 83,500 to 118,100 households.
- 3.5 Notably, the number of households in social rent was the same in 2011 as it was in 1991 (around 10,600) though it has increased to around 12,700 over the last decade. However, whilst the proportion in social rent represented more than one-in-eight households (12.8%) in 1991, it now represents only one-in-nine (10.8%). There has been an increase of around 17,800 owner occupiers since 1991, however as a proportion of all households, this has declined from 82.6% to 73.4% over the 30-year period – although most change occurred between 2001 and 2011, with limited change in the proportion over the last decade. In contrast, private rent has seen a significant growth, with over three times the number of households living in private rent, increasing from 4.6% in 1991 to 15.8% by 2021.
- 3.6 The PPG recognises the importance of understanding the likely future role of the private rented sector.

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

Planning Practice Guidance, ID 67-002-20190722

- 3.7 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Reducing affordability of owner occupation;
 - » Changing Bank lending practices;
 - » Pension reform: pension drawdowns invested in Buy-to-Let (BTL) property.

- 3.8 The growth of the Sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.⁴
- 3.9 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs without financial assistance, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.
- 3.10 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)⁵:
- "The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. ... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating."* (paragraphs 4.152-154)
- 3.11 Importantly, the Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 3.12 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁶ (including the Build to Rent investment scheme⁷). The Government published "Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities" in March 2015⁸, and the Foreword by the Minister stated:
- "The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*
- 3.13 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

⁴ <http://news.rla.org.uk/rpi-rent-revolution/>

⁵ <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

⁶ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

⁷ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

The Future Role of the Private Rented Sector

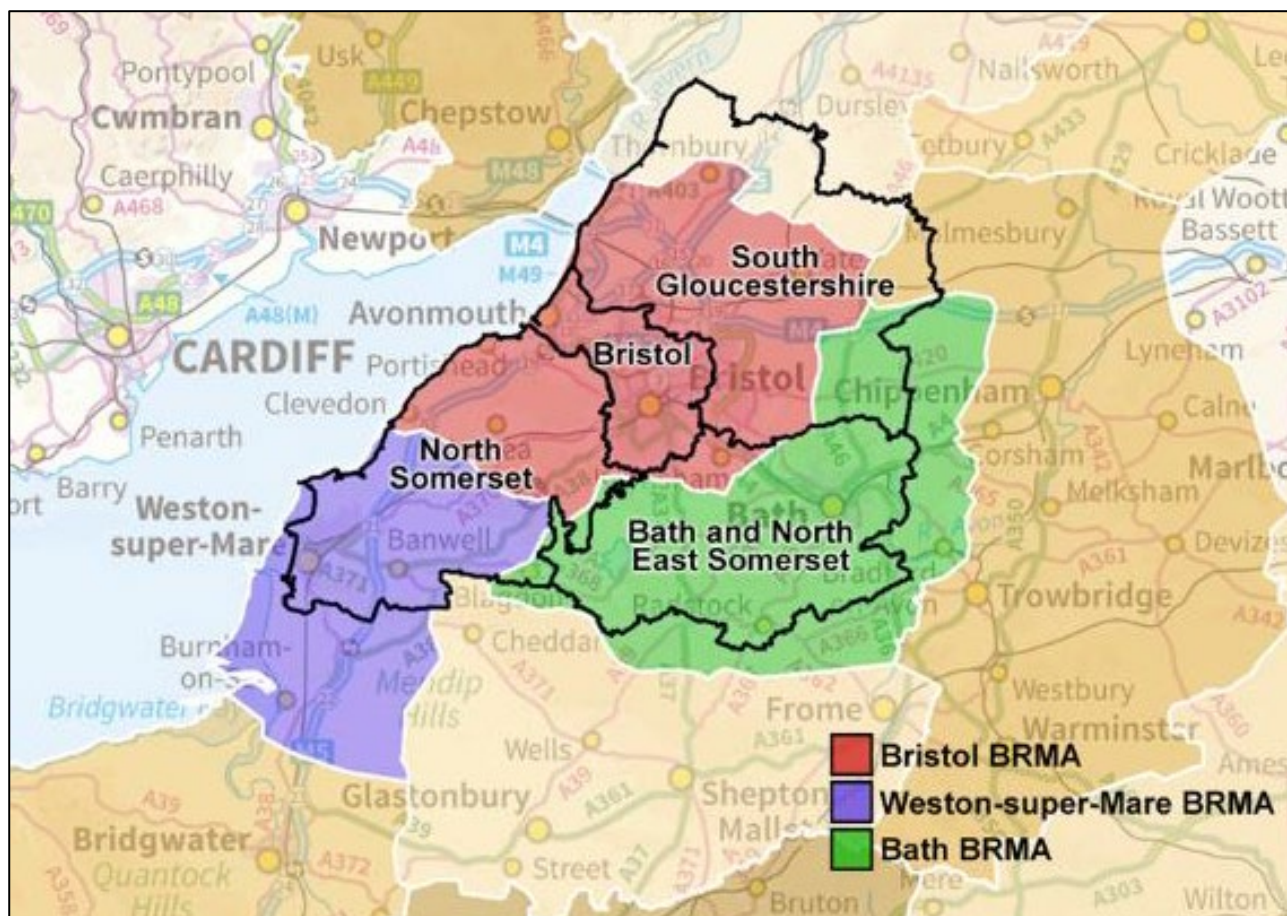
- 3.14 PRS is an important tenure that has grown since 1991 to house a significant proportion of households in the area. At the same time, young households have been less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.
- 3.15 Further, there have been other changes announced (Right to Buy for housing association tenants and the new First Homes scheme) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contained proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes.
- 3.16 Starter Homes were intended to provide affordable housing for first time buyers by selling newbuild properties at a discount of at least 20% below their market prices. The discount was not in perpetuity, so the buyer of the property stood to gain from buying a home at 80% or less than its market price; but owning 100% of the property. However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes⁹.
- 3.17 The consultation for First Homes ran from February to May 2020, with a government response to the consultation published in April 2021. First Homes will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher if a local need can be demonstrated.
- 3.18 Local authorities can prioritise these homes for local people and/or key workers, as required locally. The reduction of at least 30% will remain in perpetuity when the property is sold on the second-hand market, so the buyer will not own more than 70% of the property's open market value at the time of purchase. When the property is to be sold, the home will be independently valued and sold to eligible purchasers with the discount being applied, to ensure the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.19 There are many households residing in the private rented sector in South Gloucestershire who aspire to home ownership and if affordable First Homes were to be provided for this group it would, potentially, reduce the size of the private rented sector by giving alternative options to renters that aspire to buy, but cannot afford to purchase on the open market.
- 3.20 However, if the new supply of affordable homes changes to include a large proportion of First Homes or other affordable to own properties, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock lost to demolition etc.) then demand for PRS stock may continue or increase further – as households in need for whom First Homes remain out of reach have few other options than entering the private rented sector.
- 3.21 As a result, much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household. In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

⁹ <https://www.gov.uk/government/consultations/first-homes>

Cost of Renting

- 3.22 When considering renting in South Gloucestershire it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in the area:
- » Median private rent;
 - » Lower quartile private rent;
 - » Local Housing Allowance (LHA) in the applicable BRMA;
 - » Affordable rent; based on average rents charged for existing dwellings.
- 3.23 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget. The rates were increased back to the 30th percentile in April 2020, and the Government have indicated that they will be frozen at their current level (in cash terms) from 2021/22 onwards¹⁰.
- 3.24 The BRMA deemed appropriate to use for the purposes of this study is the Bristol BRMA, which covers most of South Gloucestershire as well as Bristol and parts of North Somerset and Bath and North East Somerset.

Figure 14: Broad Rental Market Areas in the West of England (Source: VOA. Note: BRMA = white border, LA = black border)



¹⁰ Office of Budgetary Responsibility – Economic and Fiscal Outlook (November 2020) – page 179:
http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

- 3.25 Figure 15 sets out the median weekly rents for different property sizes in South Gloucestershire together with the local housing allowances and the calculated affordable rent rates. It may be noted that there are local variations in rental costs, and those presented below are representative of the Bristol BRMA as a whole.

Figure 15: Weekly rent thresholds in South Gloucestershire (Source: Valuation Office Agency 2021-22; SDR 2022¹¹)

South Gloucestershire	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Bristol BRMA)	Affordable Rent
1 bedroom	£172.48	£159.84	£159.95	£117.10
2 bedrooms	£201.23	£189.73	£189.86	£138.87
3 bedrooms	£252.98	£218.48	£218.63	£166.07
4+ bedrooms	£402.46	£321.97	£304.93	£185.08

- 3.26 Across all property sizes in South Gloucestershire, the median private rent private rent is higher than the maximum LHA, but the maximum LHA is comparable to lower quartile rents for 1 to 3-bedroom properties. This means that those on housing benefit cannot afford properties of median rent; but could afford current lower quartile rent for properties with up to 3 bedrooms.
- 3.27 Affordable rent is consistently lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of affordable rent (where they were entitled to do so).
- 3.28 Households claiming out-of-work benefits are subject to a cap of £423.46 per week for lone parents and couples or £283.71 per week for single people (outside of London). This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying up to £722 or more, depending on age and status) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

Income Needed to Rent Housing

- 3.29 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹² stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income”* (page 42)

- 3.30 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of national Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that “care should be taken ... to include only those households who cannot afford to access suitable housing in the market” (ID 2a-024).

¹¹ SDR = Statistical Data Return

¹² <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

- 3.31 The English Housing Survey (EHS) 2015-16¹³ provides information about the percentage of gross household income that households spend on their housing costs¹⁴:
- » For the total gross income (including housing benefit) of the Household Reference Person and partner, households renting privately spent on average 41% of their income on rent, whilst the average was 31% for households in social rent;
 - » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent;
 - » For the total gross income (including housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 35% of their income on rent, whilst the average was 28% for those in social rent;
 - » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.
- 3.32 The EHS demonstrates that many households in both private and social rented properties pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.
- 3.33 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately spend 41% of their gross income on average, there must be many households spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions).
- 3.34 On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.
- 3.35 As an illustrative example, we can establish the income needed to rent a 1-bedroom property in the private rented sector in South Gloucestershire based on a 35% income multiplier:
- » The median weekly rent recorded was £172.48;
 - » Based on a 35% (of gross) income multiplier, a weekly income of £492.80 would be needed which equates to a gross annual income of £25,714.
- 3.36 To rent the same property based on a 25% income multiplier would increase the gross income required to £36,000 per year whereas households with an annual income of £20,000 per year could afford the rent if 45% of their income was allocated to housing costs.

¹³ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹⁴ "Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16"

3.37 Figure 16 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent if 35% is spent on housing.

Figure 16: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size South Gloucestershire (Source: ORS based on Valuation Office Agency data October 2021 to September 2022; SDR 2022)

South Gloucestershire	Median Private Rent	Lower Quartile Private Rent	Affordable Rent (SDR 2019)	Social Rent
1 bedroom	£25,714	£23,829	£17,457	£12,550
2 bedrooms	£30,000	£28,286	£20,703	£14,762
3 bedrooms	£37,714	£32,571	£24,758	£16,177
4+ bedrooms	£60,000	£48,000	£27,592	£20,012

3.38 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is *“housing that is too expensive compared to disposable income”* that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).

3.39 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £17,622 (£339 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 39.7% of their net income and would leave £204 per week as disposable income to cover their other living expenses.
- » A couple with two children with a gross income of £44,000 from employment would have up to £37,965 (£730 per week) after income tax and national insurance contributions (assuming both earned £22,000). Therefore, housing costs at 35% of gross income would represent 40.5% of their net income and would leave £550 per week as disposable income to cover their other living expenses.

3.40 We should also consider the differing potential levels of housing benefit.

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £74.70 for those aged 25 or over and £59.20 for those aged 16-24.
- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £254.60 (if one or both are aged 18 or over).

3.41 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing.

3.42 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 17 sets out the maximum incomes for housing benefit eligibility for different types of households in the Bristol BRMA:

Figure 17: Maximum income for households in receipt of housing benefit support by household type
(Source: ORS based on Department for Work and Pensions data; Valuation Office Agency data)

	BRISTOL BRMA
Single person aged 16-24 in Room Only	£10,254
Single person aged 25-34 in Room Only	£11,047
Single person aged 35+ in 1 Bedroom Properties	£16,654
Couple (both aged under 18) in 1 Bedroom Properties	£17,406
Couple (one or both aged 18 or over) in 1 Bedroom Properties	£18,833
Lone parent (aged 18 or over) with 1 child in 2 Bedroom Properties	£22,546
Lone parent (aged 18 or over) with 2 children in 2 Bedroom Properties	£26,037
Couple (aged 18 or over) with 1 child in 2 Bedroom Properties	£24,724
Couple (aged 18 or over) with 2 children in 2 Bedroom Properties	£28,215

Build to Rent

- 3.43 There are a variety of housing options potentially available for South Gloucestershire, including Build to Rent options. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

National Planning Policy Framework, February 2019 (Glossary)

- 3.44 The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 3.45 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL¹⁵ shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in South Gloucestershire, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF/PPG) for the affordable units, then the range of rental costs available would be as Figure 18:

Figure 18: Weekly rent thresholds in South Gloucestershire (Source: Valuation Office Agency 2021-22; SDR 2022, JLL. Note: cells highlighted in red indicates Affordable Build to Rent is higher than equivalent lower quartile rent)

	Build to Rent (Median +9.3%)	Median Private Rent	Affordable Build to Rent (B2R - 20%)	Lower Quartile Private Rent	Local Housing Allowance	Affordable Rent
1 bedroom	£188.53	£172.48	£150.82	£159.84	£159.95	£117.10
2 bedrooms	£219.95	£201.23	£175.96	£189.73	£189.86	£138.87
3 bedrooms	£276.50	£252.98	£221.20	£218.48	£218.63	£166.07
4+ bedrooms	£439.89	£402.46	£351.91	£321.97	£304.93	£185.08

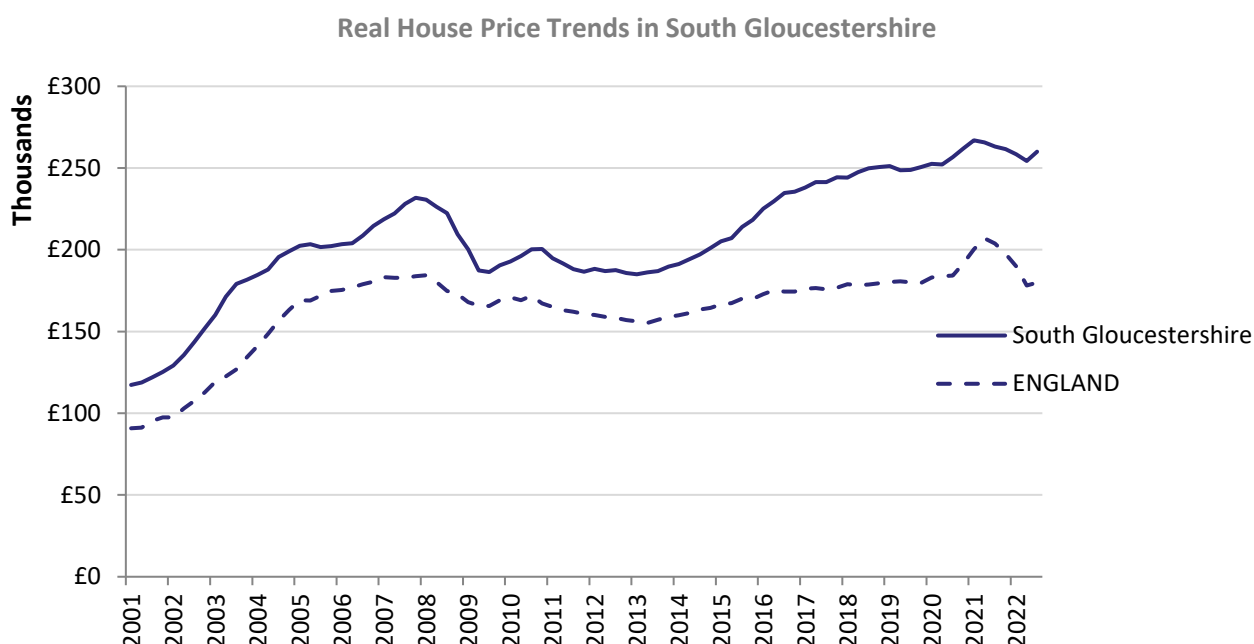
¹⁵ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

- 3.46 The illustrative rents in Figure 18 identify that the costs of affordable build to rent are likely to be higher than those of lower quartile private rents for properties with three or more bedrooms (shown in red) and the rental costs are also higher than the maximum weekly local housing allowance. However, the rents for properties with one or two bedrooms are likely to be marginally lower than lower quartile rents and below the maximum LHA.
- 3.47 On this basis, the number of prospective tenants that could access affordable build to rent options but would not be able to access lower quartile market rents (without subsidy) would be limited to those needing smaller homes. Therefore, while the promotion of build to rent by local authorities could be a potentially useful mechanism for bringing forward affordable housing options, the level of rent discount suggested by the NPPF renders such options of limited utility in servicing the housing needs of the localities. To mitigate this, larger discounts than the suggested 20% would need to be sought by the authority for larger properties, or the Build to Rent basic rent pre-discount would need to be meaningfully lower.

Cost of Home Ownership

- 3.48 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2022) are shown in Figure 19. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 3.49 Real house prices in South Gloucestershire, whilst somewhat higher, have historically mirrored those in England as a whole. However, a notable upward divergence from the England average can be seen in South Gloucestershire beginning in 2013/14. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to their low point in late 2013, since when they have grown steadily. As of 2020, prices in South Gloucestershire exceeded their previous peak prices in 2008, reaching their highest point in mid-2021, since which there has been a modest decline. However, it should be noted that there is considerable local variability in house prices across the authority.

Figure 19: Real House Price Trends: Lower Quartile Prices adjusted to September 2022 values using CPI (Source: ONS; Bank of England)



- 3.50 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key.
- 3.51 Figure 20 shows lower quartile house prices in South Gloucestershire by bedroom size. There is also a difference between existing properties and newbuild dwellings. New dwellings in the area generally attract a premium, and it is only one-bed properties where existing dwellings are more expensive. The difference in values between newbuild and existing properties is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.
- 3.52 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build estates. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

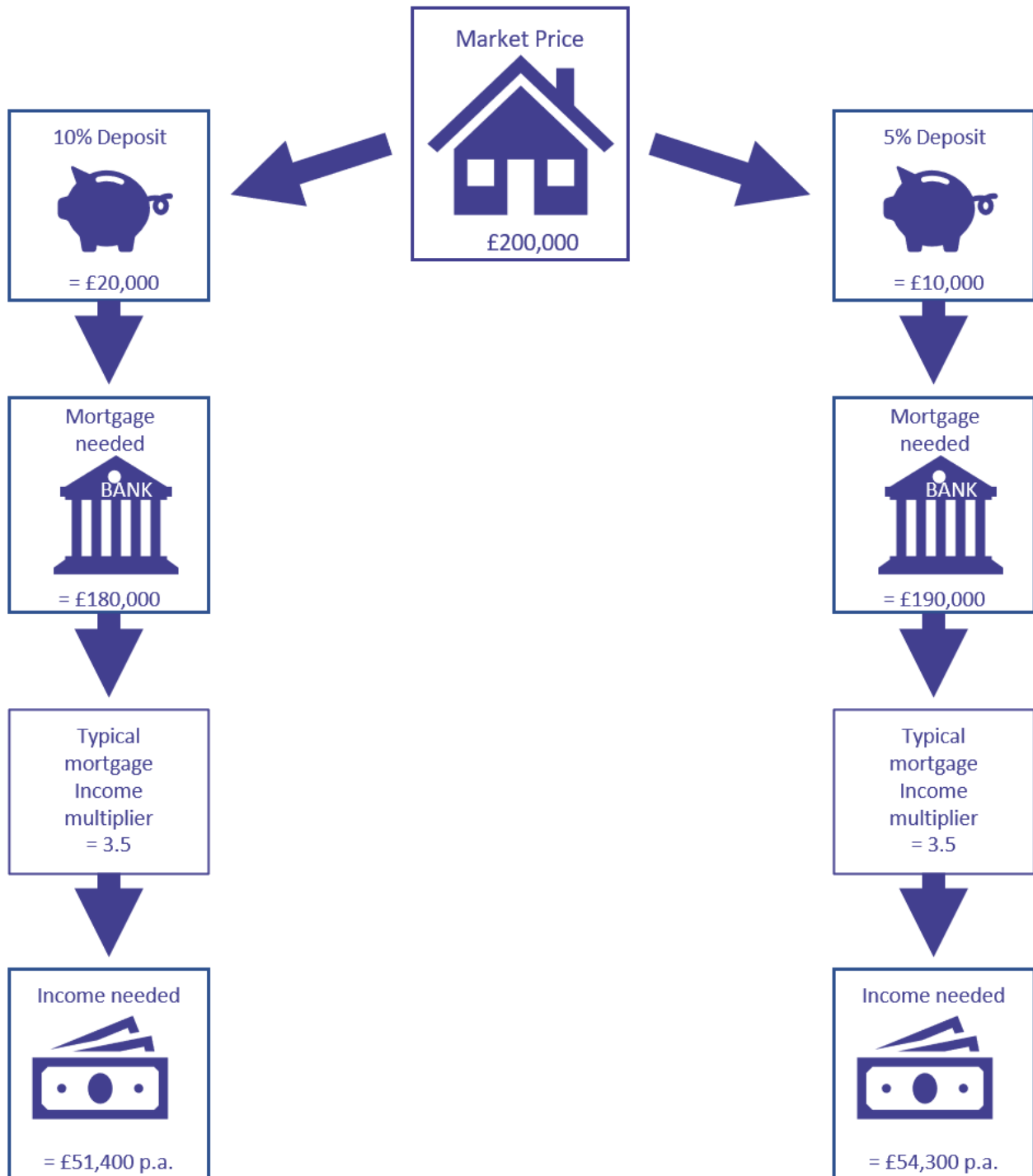
Figure 20: South Gloucestershire - Lower quartile prices (adjusted by CPI) (Apr 2021-Mar 23) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)



Income Needed for Home Ownership

- 3.53 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.54 For example, if we consider a property costing £200,000, and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £180,000. Using a typical income multiple of 3.5 we can calculate an income of just over £51,400 would be needed ($51,429 \times 3.5 = £180,000$). If the buyer could only afford a 5% deposit (£10,000) then a larger mortgage and larger income would be needed.
- 3.55 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area. Based on these assumptions, Figure 22 shows the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often include equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Figure 21: Example calculating income needed for home ownership



Identifying the Gap for Affordable Home Ownership

- 3.56 When identifying the need for Affordable Home Ownership (AHO - this includes Shared ownership and First Homes), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.
- 3.57 Figure 22 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents which emphasises that owner occupation is much less affordable than renting.

Figure 22: Annual income thresholds for different housing options, single bedroom and two-bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)

South Gloucestershire: Annual Income Thresholds	Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own a newly built dwelling with 10% deposit and 3.5x mortgage	£40,200	£69,500
Minimum income needed to own an existing dwelling with 10% deposit and 3.5x mortgage	£41,700	£58,200
Minimum income needed for median private rent to be less than 35%	£25,700	£30,000
Minimum income needed for lower quartile private rent to be less than 35%	£23,800	£28,300
Minimum income needed for affordable rent to be less than 35%	£17,500	£20,700
Minimum income needed for social rent to be less than 35%	£12,500	£14,800
Maximum income for Housing Benefit support at upper end of range	£18,800	£28,200
Maximum income for Housing Benefit support at lower end of range	£16,700	£22,500

- 3.58 For single-bedroom properties, there is large income gap between being able to afford market rent and being able to afford home ownership. Comparing the income required to afford median private rent (where rent = 35% of income) compared to the income required to afford one bed dwellings (based on 10% deposit and 3.5x mortgage), this gap is approximately £16,000 for existing properties, and £14,500 for newly built, which, in theory, leaves a large gap for affordable home ownership housing products. The gap is even wider for two-bedroom properties (£28,200 for existing, £39,500 for new built), and wider still if incomes to afford lower quartile rents are compared to home ownership.
- 3.59 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

Shared Ownership

- 3.60 A range of shared ownership products have also been developed to assist households into homeownership. The shared ownership scheme offers households with incomes of below £80,000 per year (£90,000 in London) that cannot afford to buy on the open market a route into home ownership.

- 3.61 Subject to certain eligibility criteria¹⁶, applicants can purchase a share in a property (usually between 25% and 75%, but it is possible to buy a 10% share on some homes) on a leasehold basis, paying rent to the landlord (i.e. the holder of the retained equity). A larger share in the property can be purchased in the future (known as “staircasing”), with a corresponding reduction in the rent payable to the landlord. In the majority of cases there is the option of staircasing up to 100% (i.e. full ownership) of the value of the home.
- 3.62 The applicant would usually obtain a mortgage on the initially purchased share of the property, typically with a deposit of 5-10% of the value of the share. The flexibility of shared ownership lies in the ability for the applicant to purchase an initial percentage of the property that is within their budget (once rent and service charges etc. are taken into account), and as a consequence, it is a viable option for a range of household incomes.
- 3.63 Figure 23 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:
- » 40% equity share purchased by the occupier;
 - » 10% of the equity purchased is available as a deposit;
 - » Mortgage costs based on a 30-year repayment mortgage at 6.25% interest (a typical rate for a shared ownership mortgage);
 - » Rent based on 1.5% of the retained equity paid each year; and
 - » Service charge of £10 per week.
- 3.64 This calculation demonstrates that the weekly costs for a typical shared ownership product in South Gloucestershire are lower than the equivalent median private rent for all property sizes (Figure 23).

Figure 23: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week)

South Gloucestershire	Lower Quartile Property Value (New)	40% Equity Share	10% Deposit	Weekly Mortgage Costs	Weekly Rent Costs	Weekly Service Charge Costs	TOTAL WEEKLY COSTS	Weekly Median Private Rent Costs
1 bedroom	£156,190	£62,476	£6,248	£80.45	£26.96	£10.00	£117.41	£172.48
2 bedrooms	£270,268	£108,107	£10,811	£139.21	£46.65	£10.00	£195.86	£201.23
3 bedrooms	£334,973	£133,989	£13,399	£172.53	£57.82	£10.00	£240.35	£252.98
4+ bedrooms	£448,342	£179,337	£17,934	£230.93	£77.39	£10.00	£318.31	£402.46

- 3.65 Figure 24 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 6.25% interest rate for modelling purposes, if rates are lower in the future, then shared ownership will be more affordable, conversely higher rates will make it less affordable. As can be seen, for all of the examined equity shares across all sizes of property, a shared ownership product on this basis proves to be cheaper than median market rent for the same size property.

¹⁶ <https://www.gov.uk/shared-ownership-scheme/who-can-apply>

Figure 24: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)

South Gloucestershire	Median Private Rent	New Lower Quartile Property Value	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share
1 bedroom	£172.48	£156,190	£70.55	£93.98	£117.41	£133.03
2 bedrooms	£201.23	£270,268	£114.78	£155.32	£195.86	£222.88
3 bedrooms	£252.98	£334,973	£139.86	£190.10	£240.35	£273.85
4+ bedrooms	£402.46	£448,342	£183.81	£251.06	£318.31	£363.14

^{3.66} Figure 25 shows the impact of rent based on 2.75% of retained equity in contrast to the 1.5% in Figure 24. If rent was charged at this level, clearly weekly costs in each case would be higher when compared directly with the previous 1.5% example. However, only some costs exceed the median private rent.

Figure 25: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)

South Gloucestershire	Median Private Rent	New Lower Quartile Property Value	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share
1 bedroom	£172.48	£156,190	£104.25	£122.06	£139.87	£151.75
2 bedrooms	£201.23	£270,268	£173.09	£203.91	£234.73	£255.28
3 bedrooms	£252.98	£334,973	£212.13	£250.33	£288.53	£314.00
4+ bedrooms	£402.46	£448,342	£280.54	£331.67	£382.80	£416.88

Summary of Low-Cost Home Ownership Options

3.67 This chapter has considered in some detail the relative cost of low-cost home ownership options depending on tenure type and property size based on standardised shared ownership products. However, local authorities have the option of introducing products with alternative discounts where viable. To assist in this, Figure 26 summarises the cost for each property size based on a range of potential shared ownership equity shares, the typical 30% first homes discount and 20% discounted market sales housing (see 2019 NPPF Glossary – affordable housing (c), page 64), as compared to various rent levels.

Figure 26: Comparison of weekly Shared Ownership/First Homes costs by property size and equity share (Source: VOA 2021-2022, Land Registry, ORS model. Assumptions as in Figure 23 excluding equity share.)

South Gloucestershire	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share	70% First Homes	80% Discount LCHO
1 bed	£70.55	£93.98	£117.41	£133.03	£129.84	£148.39
2 bed	£114.78	£155.32	£195.86	£222.88	£224.68	£256.78
3 bed	£139.86	£190.10	£240.35	£273.85	£278.47	£318.25
4+ bed	£183.81	£251.06	£318.31	£363.14	£372.72 ¹⁷	£425.96

KEY	Below Affordable Rent: X<AR	Above Affordable Rent and below Max LHA: AR<X<LHA	Above max LHA and below Lower Quartile Rent: LHA<X<LQ	Above Lower Quartile Rent and below Median Rent: LQ<X<Median	Above Median Rent Median<X
-----	--------------------------------	--	--	---	-------------------------------

¹⁷ It should be noted that the maximum permitted cost of a First Home after discount is £250,000 outside of London. Based on the £448,300 lower quartile price of a four-bedroom property shown in Figure 20, this discount would make the cost of such a First Home £313,810, which exceeds the threshold. Therefore, this figure is included only for comparison purposes as in practice this product could not be offered.

4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

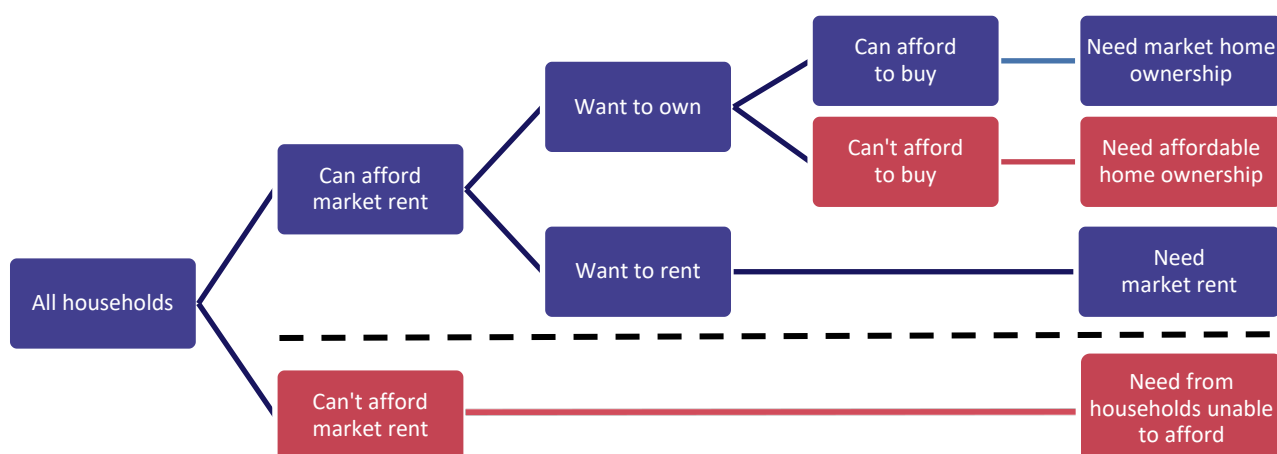
- 4.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.
- 4.2 The definition of affordable housing was changed when an update was published to the National Planning Policy Framework in 2019, with a specific emphasis placed on affordable homeownership. Annex 2 of the Framework defines affordable housing as being:

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)

National Planning Policy Framework, Annex 2

- 4.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [PPG ID 2a-020-20190220].
- 4.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy.

Figure 27: Establishing the need for market and affordable housing



- 4.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing the Needs of Households Unable to Afford Market Rent

- 4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 4.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 4.9 The affordability percentages in Figure 28 are calculated using detailed information from the 2021 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 28: Assessing affordability by household type and age (Source: Census 2021 and DWP)

South Gloucestershire: Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	15%	7%	13%	19%	23%	24%
Couple family with no dependent children	5%	2%	4%	5%	5%	8%
Couple family with 1 or more dependent children	42%	18%	9%	6%	9%	18%
Lone parent family with 1 or more dependent children	63%	66%	49%	33%	38%	69%
Other household type	13%	13%	25%	16%	13%	9%

Current Unmet Needs of Households Unable to Afford Market Housing

- 4.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (February 2019), ID 2a-020-20190220

- 4.11 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 4.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at the base date of 2022. This baseline need may change before the start of the plan period, as the inputs are variable – so this should be taken into consideration, with the number kept under review and revised where appropriate when developing the emerging policies.
- 4.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in West of England.
- 4.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently). Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on

the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

4.15 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

4.16 Figure 29 sets out an assessment of the existing affordable housing need for South Gloucestershire at the base date of 2022.

Figure 29: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

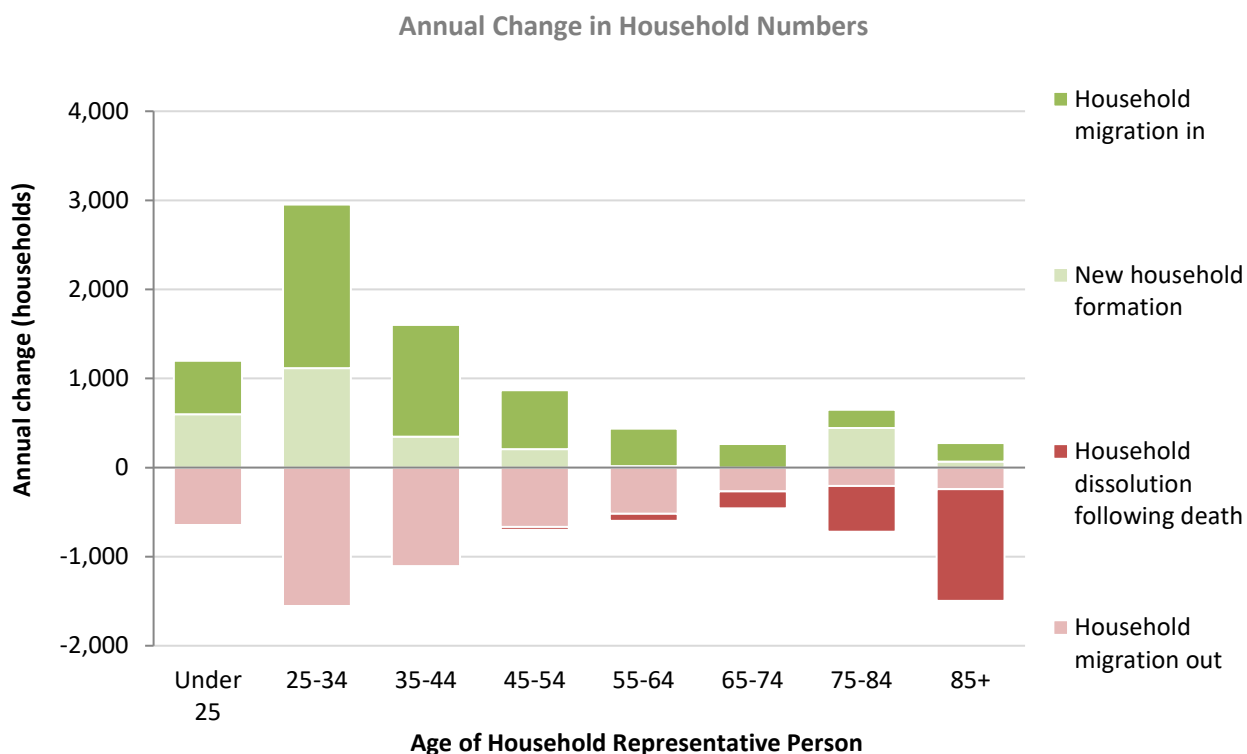
SOUTH GLOUCESTERSHIRE	Affordable Housing - Gross Need	Affordable Housing - Supply	Affordable Housing - Net Need	Current unmet Housing Need
Homeless households in priority need [Source: CLG P1E returns 2022]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	20		20	20
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	62		62	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2021]				
Growth in concealed families with family representatives aged under 55	306		306	306
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]				
Households living in overcrowded private rented housing	393		393	
Households living in overcrowded social rented housing	748	748	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2022]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	339	28	311	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	4	0	4	
TOTAL	1,872	776	1,096	326

- 4.17 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,872 households in South Gloucestershire are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.
- 4.18 Of these households, 776 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 4.19 There is, therefore, a net current affordable housing need of 1,096 households (1,872 less 776 = 1,096). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
- 4.20 Providing the net current affordable housing need for 1,096 households will provide for 326 households that are currently either homeless or concealed, and release back into the market (mainly in the private rented sector) the dwellings currently occupied by the remaining 770 households (1,096 less the 326 households which are homeless or concealed and thus do not release dwellings).

Projected Future Need of Households Unable to Afford Market Housing

- 4.21 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a "*gross annual estimate*" (ID 2a-021) suggesting that "*the total need for affordable housing should be converted into annual flows*" (ID 2a-024).
- 4.22 Figure 30 show the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 30: Annual change in household numbers in each age cohort by age of Household Representative Person in South Gloucestershire (Source: ORS Housing Model)



- 4.23 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables (Figure 31) looks at the impact of different types of household.

Figure 31: Annual components of Household Growth for South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE 2025-40	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	2,794	2,341	453	16%
Households migrating into the area	5,448	4,619	829	15%
All new households	8,242	6,960	1,282	16%

- 4.24 The ORS Model identifies new households projected to form in South Gloucestershire each year, along with the number that will be unable to afford their housing costs. The model also considers new households migrating to the area which results in the total new households in need of affordable housing (Figure 31).
- 4.25 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022)

- 4.26 The model also identifies the households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however, some of these are likely to have been unable to afford market housing and will mostly be living in social rented housing (Figure 32).
- 4.27 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies the households that will migrate out of the area each year, including those households who are unable to afford their housing costs.
- 4.28 A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 4.29 Figure 32 shows the annual number of households who will vacate affordable dwellings or will no longer be waiting for a home over the period:

Figure 32: Annual components of Household Growth South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE 2025-40	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	2,099	1,745	354	17%
Households migrating <u>out</u> of the area	5,213	4,424	790	15%
All households no longer present	7,313	6,169	1,144	16%

- 4.30 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in South Gloucestershire will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and the estimate of the number of established households that will fall into need in each year is shown in Figure 33.
- 4.31 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 4.32 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies the number of households whose circumstances will improve such that they become able to afford their housing costs having previously being unable do so.
- 4.33 Therefore, considering the changing needs of existing households overall, **there remains a small net increase of existing households needing affordable housing each year** in South Gloucestershire (Figure 33).

Figure 33: Annual components of Household Growth South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE 2025-40	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-350	350	100%
Existing households climbing out of need	-	346	-346	0%
Change in existing households	-	-5	5	-

4.34 The following table (Figure 34) summarises the overall impact of:

- » new households adding to housing need,
- » the households no longer present reducing housing need and
- » the changes in circumstances impacting existing households.

Figure 34: Annual components of Household Growth South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE 2025-40	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	8,242	6,960	1,282
All households no longer present	-7,313	-6,169	-1,144
Change in existing households	-	-5	5
Annual average future affordable housing need 2025-40	929	786	143
15-year Total future affordable housing need 2025-40	13,940	11,790	2,149

4.35 Overall reviewing the contribution of each element amounts to a projected additional 2,149 households needing affordable housing in South Gloucestershire over the 15-year period 2025-40.

Overall Affordable Housing Need of Households Unable to Afford Market Housing

4.36 Below, Figure 35 brings together the information on assessing the unmet need for affordable housing in 2022 (which will need to be kept under review) together with the future need for market and affordable housing arising over the 15-year period 2025-40.

Figure 35: Assessing total need for market and affordable housing for South Gloucestershire (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE 2025-40	Households able to afford market rent	Households unable to afford market rent	Overall Housing Need
Unmet need for affordable housing in 2022 (see Figure 29)			
Total unmet need for affordable housing (a)	-	1,872	1,872
Supply of housing vacated (b)	770	776	1,546
Current housing need (c) = (a) - (b)	-770	+1,096	+326
Projected future housing need 2025-40 (see Figure 34)			
Average annual housing need (d)	786	143	929
Future housing need (e) = (d) x 15	+11,790	+2,149	+13,940
Total need for market and affordable housing (f) = (c) + (e)	+11,020	+3,246	+14,266
Average annual household growth (g) = (f) / 15	+735	+216	+951

4.37 Overall, in South Gloucestershire, there is a need to provide affordable housing for 3,246 households unable to afford to rent or buy over the Plan period 2025-40, which equates to 216 households per year.

4.38 The appropriate mix of affordable housing products will depend on the mix of households needing affordable housing,¹⁸ and the type of affordable housing households can afford is influenced by the percentage of income available. Figure 16 identified the minimum annual income needed to afford Affordable Rents in South Gloucestershire by property size (based on spending up to 35% of total income).¹⁹ To profile affordability, data from the English Housing Survey and ONS Survey of Personal Incomes has been combined to establish a distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

Figure 36: Overall need for Affordable Housing in South Gloucestershire 2025-40 disaggregated based on ability to access affordable rents by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

South Gloucestershire	Households unable to afford affordable rent	Households able to afford affordable rent	Total Households
1 bedroom	575	75	650
2 bedrooms	667	226	893
3 bedrooms	826	347	1,173
4+ bedrooms	340	191	531
TOTAL HOUSING NEED	2,407	839	3,246
Overall Percentage	74%	26%	100%

¹⁸ This section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

¹⁹ The rent for affordable rent housing (inclusive of service charges) must not exceed 80% of gross market rent.

Future Policy on Housing Benefit in the Private Rented Sector

- 4.39 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.
- 4.40 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 4.41 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.
- 4.42 PPG (both the current version and previous versions) states that *"care should be taken to ... include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level. It is well-established that housing need should be established leaving aside policy considerations,²⁰ so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need.
- 4.43 The approach taken by the LHNA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn't change the need, but it could influence the affordable housing policy target.
- 4.44 Given this context, it will be necessary for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. However, in determining the affordable housing requirement, the authority may want to consider a local policy target to reduce the number of households living in private rented housing who rely on housing benefit – but this could only be achieved after the affordable housing need that has been identified has been met in full.

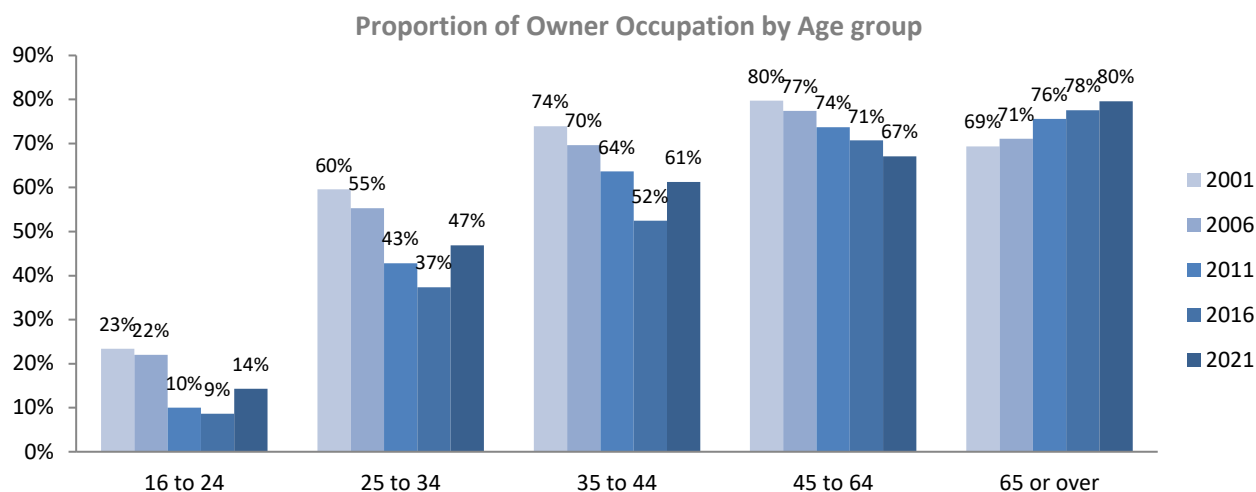
²⁰ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

Assessing the Needs of Households Aspiring to Homeownership

Home Ownership Trends

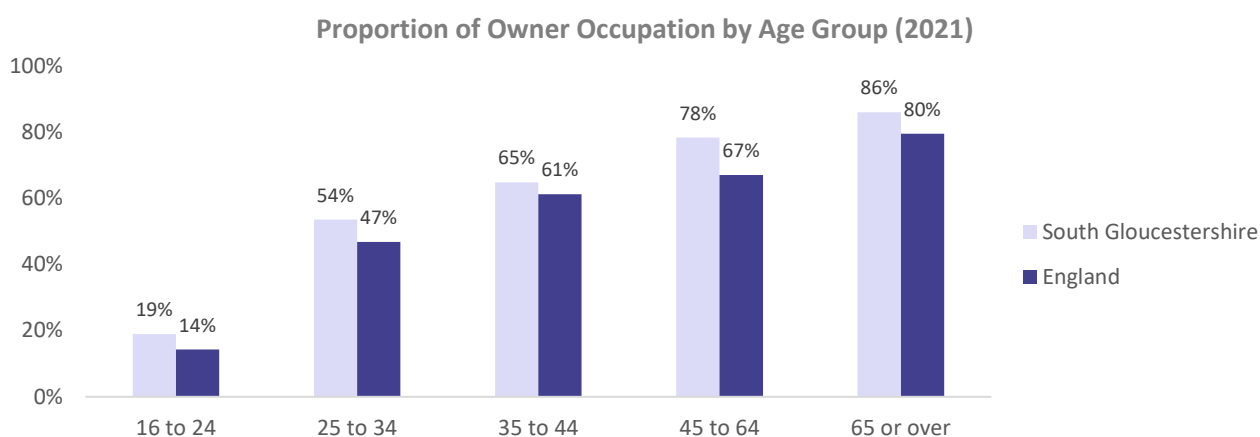
- 4.45 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
- 4.46 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 37).

Figure 37: Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)



- 4.47 The English Housing Survey does not contain robust data on owner occupation by age group at the local level, however an indication of the comparison between owner occupation levels by age in South Gloucestershire versus the national average can be gathered from the 2021 Census (Figure 38). Rates of owner occupation in South Gloucestershire are higher than the national average across all age groups reported by the Census.

Figure 38: Proportion of Owner Occupation by age group 2021 (Source: Census 2021)



Establishing the number of households aspiring to home ownership

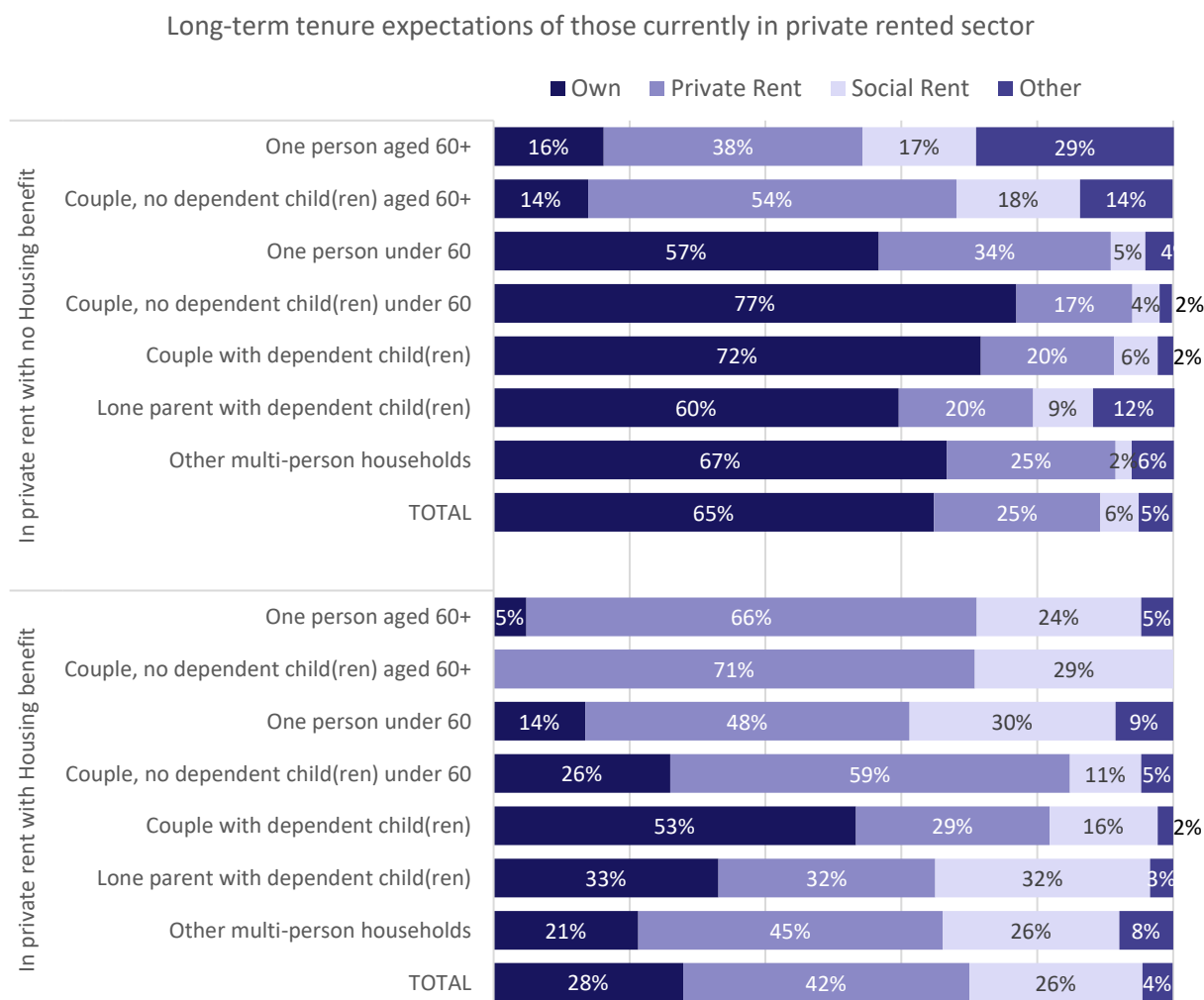
4.48 English Housing Survey data shows that almost all (97.1%) of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (56.6%) of households who rent privately and a fifth (21.1%) of those in social rented housing aspire to homeownership.

Figure 39: Long-term aspirations (Source: English Housing Survey 2021-22)

Current Tenure	Long-term Tenure Plan - Owner Occupier	Long-term Tenure Plan - Rent from Private Landlord	Long-term Tenure Plan - Rent from Social Landlord	Long-term Tenure Plan - Other
Owner occupied	97.1%	0.3%	0.5%	2.1%
Private rent	56.6%	29.2%	9.5%	4.7%
Social rent	21.1%	1.4%	74.2%	3.3%

4.49 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy. Figure 40 shows long-term tenure aspirations of different types of households currently renting privately either with or without housing benefit.

Figure 40: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



- 4.50 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with a Household Representative Person (HRP) over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 4.51 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Identifying the Need for Affordable Homeownership

- 4.52 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS, Figure 41 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. It is important to recognise that all of these households are able to meet their own housing costs in the private rented sector, so would typically not be considered for social or Affordable Rent.

Figure 41: Households currently living in the Private Rented Sector in South Gloucestershire and paying their own rent that aspire to home ownership by Age of Household Representative (Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	231	876	558	180	86	41	1972
Couple without children	329	1767	323	190	118	50	2777
Families with child(ren)	46	861	593	169	0	0	1669
Other households	369	575	129	99	65	0	1237
Total Volume	975	4,079	1,603	638	268	91	7,656
<i>Percentage of households</i>	<i>13%</i>	<i>53%</i>	<i>21%</i>	<i>8%</i>	<i>4%</i>	<i>1%</i>	<i>100%</i>

- 4.53 Based on this analysis, we can estimate that there is a total of around 7,656 households currently resident in South Gloucestershire who do not own their own home but aspire to do so. Of these households, 53% are aged 25-34 with the substantial majority (87%) aged under 45. As previously reported (Figure 11 to Figure 13), Census data identified significant increases in households renting privately over the period to 2021. On this basis, the number of households identified as currently renting privately that aspire to homeownership is consistent with growth of the private rented sector.
- 4.54 In addition to the current need, it is also important to consider new households that are projected to form over the period to 2040. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 9,276 households that form over the 15-year period who will be able to afford to pay market rent but are unlikely to own, despite that being their aspiration. Together, this yields a total of 16,932 households who do not own their own home but aspire to do so. However, it is likely that around 1,709 of these households could afford homeownership despite having chosen to currently rent, and these households should not be counted as part of the need for affordable homeownership. **Overall, in South Gloucestershire there are likely to be 15,222 households who aspire to homeownership who are unlikely to own their own home over the period 2025-40, a net annual need of 1,015 per year.**
- 4.55 As previously noted, the Government have recently introduced First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the figure of 15,222 households who aspire to homeownership in South Gloucestershire sets an upper threshold for the number who could seek to access First Homes, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.

- 4.56 It is important to recognise that the figures for those who aspire to homeownership are based upon those households who currently can afford market rent without the support of housing benefit. But these households would not necessarily choose new build affordable homeownership if it was available. Similarly, some households may not ultimately need affordable homeownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if affordable homeownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 4.57 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided.
- 4.58 Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The First Homes criteria are the minimum requirements a housing unit must meet in order to qualify as a First Home. Affordable Housing Update Written Ministerial Statement published on 24 May 2021, the national standards for a First Home are that:

- a) a First Home must be discounted by a minimum of 30% against the market value;*
- b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,*
- c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in first 2 paragraphs under First Homes eligibility criteria.*

Planning Practice Guidance, ID: 70-002-20210524

- 4.59 It goes on at paragraph 4 to outline that:

In order to qualify as a First Home, a property must be sold at least 30% below the open market value. Therefore, the required minimum discount cannot be below 30%.

However, the First Homes Written Ministerial Statement does give local authorities and neighbourhood planning groups the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes). Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for a higher minimum discount level in the area, and how it can meet the needs of different demographic and social groups.

In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home.

Planning Practice Guidance, ID: 70-004-20210524

- 4.60 Previously, Figure 20 showed that the current lower quartile newbuild prices for a 4-bedroom property in South Gloucestershire is around £448,300, so 70% of this price would be above the cap limit. It would be necessary to apply a larger discount to bring these properties within the First Homes maximum value of £250,000. While 1 to 3-bedroom properties would come in below the £250,000 with a discount of 30%, it is still the case that a property discounted by 50% will be much more affordable than one discounted by 30%. Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme as a proxy for a maximally low-cost affordable homeownership product. In terms of weekly cost, this is approximately equal to a 25%-30% (depending on the size of property) shared ownership product with 1.5% rent on the retained equity.
- 4.61 Given this context, Figure 42 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000²¹. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- 4.62 Of the 15,222 households who aspire to homeownership and cannot afford to buy, it is likely that around 6,753 households would have incomes too low to have a realistic prospect of being able to afford 50% of open market values, and of the remaining households it is estimated that there would be 6,266 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (and other up-front costs) of purchasing a home in the local area (Figure 42).

Figure 42: Affordable homeownership housing mix by household affordability in South Gloucestershire 2025-2040 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE 2025-40	Households aspiring to homeownership who cannot afford to buy	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford with savings of £5,000 or more
1 bedroom	1,620	456	1,164	792	372
2 bedrooms	6,685	2,728	3,956	2,929	1,027
3 bedrooms	5,663	2,744	2,918	2,217	701
4+ bedrooms	1,255	824	431	328	103
TOTAL	15,222	6,753	8,469	6,266	2,203

- 4.63 On this basis, there are estimated to be around 2,203 households that aspire to homeownership but cannot afford to buy, who also have at least £5,000 in savings and incomes above the relevant threshold. This represents only 14% of the total 15,222 that was originally identified.
- 4.64 As previously noted, it is likely that the vast majority of these 2,203 households would be first-time buyers and providing affordable homeownership products that they are able to afford will reduce the demand for properties in the private rented sector. However, it is also important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration unless suitable products can be provided.

²¹ This is the amount assumed necessary to cover stamp duty, legal fees, moving costs, surveys etc.

Identifying the Overall Affordable Housing Need

- 4.65 Figure 43 brings together the information on the need from households unable to afford market rent and those aspiring to home ownership who cannot afford to buy.

Figure 43: Total households needing affordable housing in South Gloucestershire 2025-2040 (Source: ORS Housing Model)

SOUTH GLOUCESTERSHIRE 2025-40	Total Households Needing Affordable Housing – 15-year total	Total Households Needing Affordable Housing – Annual average
Households unable to afford market rent	3,246	216
Households aspiring to home ownership and unable to afford to buy	15,222	1,015
ALL HOUSEHOLDS	18,468	1,231

- 4.66 On this basis, we can conclude that a total of 18,468 households are likely to need affordable housing over the 15-year period 2025-2040, equivalent to an average of 1,231 per year.
- 4.67 This is higher than the household growth identified by the ONS 2018-based projections, as a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

- 4.68 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the established affordable housing need. However, it would be reasonable to only plan for the needs of those 2,203 households likely to form an effective demand (i.e. those able to afford the various products that will be available) as it would seem irrational for the plan to seek to provide affordable homeownership for households who are not afford the products available. The effective demand for affordable housing on this basis is summarised in Figure 44:

Figure 44: Effective Demand from households needing affordable housing in South Gloucestershire 2025-2040 (Source: ORS Housing Model)

SOUTH GLOUCESTERSHIRE 2025-40	Total Households Needing Affordable Housing – 15-year total	Total Households Needing Affordable Housing – Annual average
Households unable to afford market rent	3,246	216
Households aspiring to home ownership and unable to afford to buy	2,203	147
ALL HOUSEHOLDS	5,449	363

Establishing Overall Housing Mix

4.69 The size, type and tenure of homes needs to be calculated separately from the standard method. PPG states:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.

Planning Practice Guidance, ID 2a-017-20190220

4.70 Figure 45 identifies the overall dwelling mix based on the analysis of Local Housing Need over the 15-year period 2025-2040 together with the identified need for affordable housing, allowing for a proportion of dwellings without a usually resident household. This is based on the summary of households in unable to afford market rent (Figure 36) and those aspiring to homeownership but unable to afford to buy (Figure 42) with the overall affordable housing need subtracted from the overall Local Housing Need to establish the need for market housing.

4.71 Therefore, the LHNA identifies an overall affordable housing need of around 5,500 dwellings delivered over the 15-year period 2025-40, equivalent to 27% of the LHN. This will provide for the needs of all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product. South Gloucestershire's intended approach to the affordable homeownership sector is primarily (but not exclusively) focused on fulfilling the needs of these households through shared ownership products (see paragraphs 3.60 to 3.67).

4.72 It is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

- 4.73 The analysis also includes an allowance for housing provision in Use Class C2, which represents bedspaces in communal establishments such as care homes. The projected growth in communal establishments is taken from the population and household projections, which assume that the percentage of persons aged 75 years and over living in communal establishments will remain constant – so as the overall older population grows, the number in communal establishments also increases.
- 4.74 The allowance for C2 provision is equivalised using the calculation set out in the Housing Delivery Test measurement rule book.²² Where Class C2 bedspaces are delivered, they can be counted at a ratio of 1.90 bedspaces to each dwelling in the LHN figure.

²² <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

Figure 45: Overall need for Market and Affordable Housing in South Gloucestershire 2025-40 by property type and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need – Unable to afford Social Rent	Affordable Housing Need – Unable to afford Affordable Rent	Affordable Housing Need – Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
Number of Dwellings						
1 bedroom Flat	489	64	355	908	247	1,156
2+ bedrooms Flat	223	75	690	988	314	1,302
1-2 bedrooms House	544	184	389	1,117	2,233	3,349
3 bedrooms House	813	342	681	1,836	8,541	10,378
4 bedrooms House	261	147	83	491	2,901	3,392
5+ bedrooms House	77	44	17	138	327	465
ALL DWELLINGS	2,407	856	2,215	5,478	14,564	20,042
Allowance for C2 provision (equivalised)	-	-	-	-	-	448
TOTAL HOUSING NEED	2,407	856	2,215	5,478	15,012	20,490
Percentage of Dwellings						
1 bedroom Flat	2.4%	0.3%	1.8%	4.5%	1.2%	5.8%
2+ bedrooms Flat	1.1%	0.4%	3.4%	4.9%	1.6%	6.5%
1-2 bedrooms House	2.7%	0.9%	1.9%	5.6%	11.1%	16.7%
3 bedrooms House	4.1%	1.7%	3.4%	9.2%	42.6%	51.8%
4 bedrooms House	1.3%	0.7%	0.4%	2.4%	14.5%	16.9%
5+ bedrooms House	0.4%	0.2%	0.1%	0.7%	1.6%	2.3%
ALL DWELLINGS	12%	4%	11%	27%	73%	100.0%
Affordable Housing Need	44%	16%	40%	100.0%	-	-

- 4.75 It is important to note that the LHNA is not assuming that the equivalent of 448 dwellings in South Gloucestershire will be delivered as C2 bedspaces. Instead, the population and household projections assume that the equivalent of 448 dwellings will be vacated by those moving to communal establishments, and these properties would therefore be released for sale or relet. If, in practice, this number of C2 bedspaces are not delivered then these residents would not move, and their properties would remain occupied – which would mean that a further 448 dwellings would need to be provided in Use Class C3. Conversely, if a larger number of C2 bedspaces are provided, then more dwellings would be released which would reduce the number of additional C3 dwellings needed.
- 4.76 It can be seen from Figure 45 that, of the total 3,263 dwellings for occupation by households unable to afford market rent, 856 of these dwellings could be occupied by those able to afford affordable rent, with the remaining 2,407 being delivered as social rent. If it were the case that a policy choice resulted in a larger proportion of these 3,263 dwellings being delivered as social rent, then the needs of some of those that could theoretically afford affordable rent could nonetheless be met through these extra social rented properties, as this group could afford either product. As previously noted, the approach taken by the LHNA is policy neutral (see para 4.43), so the above enumerates the maximum number of affordable rented properties that can be afforded by those unable to afford market rent.
- 4.77 Figure 46 shows the percentages of affordable homes by bedrooms represented in the lower half of Figure 45, but as percentage of the overall affordable housing need (5,478 dwellings):

Figure 46: Overall Need for Affordable Housing in South Gloucestershire 2025-40 by property type and size as percentages of total (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need – Unable to afford Social Rent	Affordable Housing Need – Unable to afford Affordable Rent	Affordable Housing Need – Affordable Home Ownership	Total Affordable Housing
Percentage of Dwellings (excludes C2)				
1 bedroom Flat	8.9%	1.2%	6.5%	16.6%
2+ bedrooms Flat	4.1%	1.4%	12.6%	18.0%
1-2 bedrooms House	9.9%	3.4%	7.1%	20.4%
3 bedrooms House	14.8%	6.2%	12.4%	33.5%
4 bedrooms House	4.8%	2.7%	1.5%	9.0%
5+ bedrooms House	1.4%	0.8%	0.3%	2.5%
Affordable Housing Need	44%	16%	40%	100%

Establishing the Affordable Housing Policy Target

- 4.78 Further work will be needed to establish the appropriate policy target which will only become available later in the plan-making process. This will need to take account of the overall housing supply to be included in any future plan and establish which sites would not be subject to the affordable housing policy. It would also be necessary to make allowance for any completions within the plan period and housing on sites with existing permissions, both in terms of the overall number of homes and any affordable housing that this includes.
- 4.79 If an identified target is lower than the maximum identified by viability, there is the prospect to consider if there are any justifications for a higher target, for example to realise a strategic aspiration, such as reducing the number of households renting privately in receipt of housing benefit.

5. Needs of Different Groups

Identifying the housing needed for different groups

Introduction

- 5.1 Paragraph 62 of the NPPF requires that local planning authorities consider the needs of a range of groups within the population.

62. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

National Planning Policy Framework – Paragraph 62

- 5.2 Earlier chapters have already considered affordable housing, the needs of families with children and those who rent their homes in detail. This chapter considers the housing needs for the remaining groups in turn. An assessment of the needs of Gypsies and Travellers is being developed by ORS for the West of England authorities separately. No community groups with specific housing needs beyond those set out in the NPPF have been identified in the West of England.

Housing for Older People

- 5.3 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 20 years. Given this context, PPG recognises the importance of providing housing for older people.
- 5.4 These national trends are also evident across local areas, and the following section considers the evidence for South Gloucestershire.

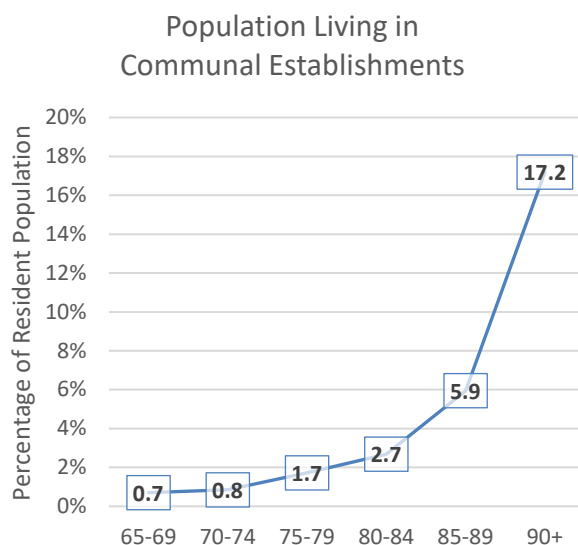
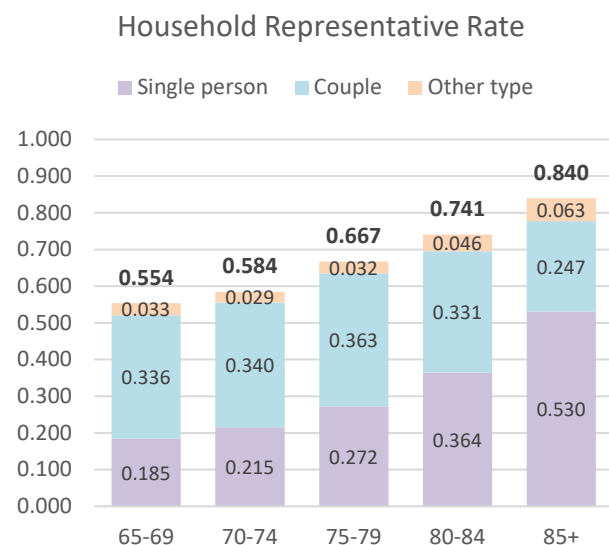
Older People in South Gloucestershire

- 5.5 The 2021 Census identified a total of around 54,200 persons aged 65 or over resident in the local authority area at that time (Figure 47). This included around 26,600 persons aged 75 or over. Most residents were living in households, but 1,369 were recorded as living in communal establishments (mainly residential care or nursing care). There was a total of around 34,300 household representatives aged 65 or over, of which over two fifths (43.3%) lived as single person households.

Figure 47: Resident population aged 65+ living in South Gloucestershire by age and living arrangements (Source: 2021 Census)

	Aged 65-74	Aged 75-84	Aged 85+	Total Aged 65+	Total Aged 75+
RESIDENT POPULATION					
Household population	27,353	18,682	6,788	52,823	25,470
Communal Establishment population	214	403	752	1,369	1,155
Total Resident Population	27,567	19,085	7,540	54,192	26,625
HOUSEHOLD POPULATION					
Living as a single person household	5,476	5,778	3,599	14,853	9,377
Living in a couple household	20,636	12,041	2,695	35,372	14,736
Living in other types of household	1,241	863	494	2,598	1,357
Total Household Population	27,353	18,682	6,788	52,823	25,470
HOUSEHOLD REPRESENTATIVES					
Single person household representative	5,476	5,778	3,599	14,853	9,377
Couple household representative	9,251	6,538	1,678	17,467	8,216
Other household representative	849	702	426	1,977	1,128
Total Household Representatives	15,576	13,018	5,703	34,297	18,721

- 5.6 Whilst the proportion of residents living in communal establishments represented only 2.5% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 5.9% of those aged 85 to 89 and 17.2% of those aged 90 or over (Figure 48).
- 5.7 The proportion of residents living as single person households was also notably higher for older age groups, with more than a third of all residents aged 75 or over (35.2%) and almost half of those aged 85 or over (47.8%) identified as living alone. The overall household representative rates ranged from 0.554 for those aged 65 to 69 (i.e. for every 1,000 persons in the household population, 554 represented a household) up to 0.840 for those aged 85 or over (Figure 49).

Figure 48: Resident population living in communal establishments by age (Source: 2021 Census)**Figure 49: Household representative rates by age and household type (Source: 2021 Census)**

- 5.8 Figure 50 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. Around 16,300 households were owner occupiers (87.1%), 600 rented privately (3.4%) and 1,800 lived in social rented homes (9.5%). Over half of owner occupiers aged 75 or over had three bedrooms (54.2%) and a further fifth having four bedrooms or more (20.5%). In contrast, very few of those in social rent had three bedrooms or more (17.3%) with over half living in a single bedroom property (50.5%).
- 5.9 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).²³ Based on estimates for South Gloucestershire, there is a stock of 1,884 rented units (typically managed by Registered Social Landlords) and 629 units that are owned.

Figure 50: Existing dwelling stock in South Gloucestershire occupied by households aged 75+ (Source: 2021 Census; Housing with Support based on data published by EAC for 2015; Housing with Care based on EAC data published in the Housing LIN report “West of England extra care housing improvement project”, May 2023)

	Owner occupied	Private rent	Social rent	TOTAL
DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+				
1 bedroom	749	141	898	1,788
2 bedrooms	3,381	220	574	4,175
3 bedrooms	8,840	210	290	9,340
4 or more bedrooms	3,348	57	17	3,422
Total Households	16,318	628	1,779	18,725
SPECIALIST OLDER PERSON HOUSING UNITS				
Housing with Support	315	-	1,515	1,830
Housing with Care	314	-	369	683
Total Specialist Older Person Housing Units	629	-	1,884	2,513

- 5.10 It is notable that the number of rented units (1,884 homes) is higher than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census (1,472 households) which suggests that a number of these homes are likely to have been occupied by households aged under 75 (assuming that the stock was not vacant at the time of the Census).
- 5.11 The owner-occupied stock of specialist older person housing (629 homes) represents around one-in-seven (15.2%) of all one- and two-bedroom dwellings occupied by owner occupiers aged 75 or over. Nevertheless, as many older owner occupiers live in properties with three bedrooms or more, the specialist older person housing stock represents only 3.9% of households when considering all owner occupiers aged 75 or over.

²³ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC data is based on the following definition: “a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group”. This includes Extra Care, assisted living, and other forms of ‘housing with care’ but other forms of specialist older person housing may not be included within this definition.

Identifying the Need for Specialist Older Person Housing

- 5.12 National Planning Practice Guidance for “*Housing for older and disabled people*” was published in June 2019. This states [ID 63-004-20190626]:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector ... Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

Planning Practice Guidance, ID: 63-004-20190626

- 5.13 The Housing Learning and Improvement Network (LIN) has published a number of different online toolkits that have provided standardised rates for estimating demand for specialist older person housing products. These have been based on applying prevalence rates per 1,000 people aged 75 or over, as summarised in Figure 51.^{24, 25} The table also presents baseline rates from a model developed by Sheffield Hallam University Centre for Regional Economic and Social Research (CRESR).²⁶

Figure 51: Benchmark Figures for Specialist Older Person Housing

Form of Provision <i>Demand per 1,000 persons aged 75+</i>	2008 - More Choice, Greater Voice Toolkit	2011 - Housing in Later Life SHOP Resource Pack	2016 - SHOP@ National Benchmark	2016 - Housing LIN Review Proposals	2017 - Sheffield Hallam CRESR Model
Housing with Support: Retirement Living or Sheltered Housing	125	180	100	100	153.2
Housing with Care: Extra Care or Enhanced Sheltered	45	65	14	35 “Proactive” rate	19.5
Sub-total	170	245	114	135	172.7
Residential care	65	-	43	40	110.8
Nursing care	45	-	45	45	
Sub-total	110	-	88	85	110.8
OVERALL TOTAL	280	-	202	220	283.5

- 5.14 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but there is limited detail about the derivation of the figures published by the Housing LIN.
- 5.15 The More Choice, Greater Voice toolkit recognises that the suggested framework simply:

“...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.” (page 44)

²⁴ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

²⁵ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

²⁶ <https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/older-peoples-housing-care-and-support-needs-in-greater-cambridge-2017-2036>

5.16 Similarly, the SHOP resource pack acknowledged that the framework simply provides a baseline, which extrapolates “...crude estimates of future demand from existing data” (page 36) and the 2016 Review acknowledged that the Housing in Later Life report had “suggested a large increase in leasehold housing for older people which were not substantiated at the time” (page 4).

5.17 In contrast, the baseline rates for the CRESR model were established based on:

“the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).” (page 26)

5.18 The Housing LIN states that the More Choice, Greater Voice Toolkit and SHOP Resource Pack are both now out-of-date and remain published only as an ‘archived’ resource for public policy interest purposes. The more recent SHOP@ analysis tool is provided through the Housing LIN consultancy services, where target prevalence rates are established based on local circumstances.

5.19 The West of England authorities commissioned the Housing LIN to prepare a research study to help understand the need for extra care housing.²⁷ However, that study did not provide any quantitative estimates of need but instead only sought to consider the profile of need drawing on qualitative evidence. Whilst the study did not seek to provide any quantitative estimates of future needs, the existing supply of Extra Care Housing was considered, and the report concluded:

“that the prevalence of extra care housing in all four council areas is above both the South West and the England average prevalence. Based on the Housing LIN’s experience of the commissioning and provision of extra care housing across England, this should be interpreted as meaning that other areas of England are likely to have an under supply of extra care housing, rather than that there is an ‘oversupply’ of extra care housing in the West of England” (para 2.23)

5.20 The Housing LIN has subsequently stated that “there is evidence of an undersupply of ECH for sale across the WoE footprint” although no details have been provided about the current level of need relative to existing provision in the local area.

5.21 The Housing LIN 2016 Review identified the following benchmarks for tenure mix based on the relative affluence or deprivation of the local authority area (Figure 52). Given that the English indices of deprivation ranked South Gloucestershire in the upper quartile of all local authorities,²⁸ the relevant tenure mix benchmark would be that proposed for the “Most Affluent” areas.

Figure 52: Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

SHOP@ MARKET SPLIT 2035 OPTIONS - DEPRIVATION/AFFLUENCE SPLIT								
	Most Deprived		Deprived		Affluent		Most Affluent	
	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold
Sheltered, Age Exclusive Housing	80	20	67	33	50	50	33	67
with Care	75	25	50	50	33	67	25	75
Split based on quantiles of ONS deprivation index								
It can be expected that the % of public sector sheltered, age exclusive accommodation will retain a higher % than housing with care as there already exists a substantial level of current service provision.								

²⁷ “West of England extra care housing improvement project”, Housing LIN, May 2023

²⁸ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

- 5.22 In contrast, the CRESR Model determined the tenure mix for each type of housing based on the proportion of residents aged 75 or over living in owner occupation. Given that the proportion for South Gloucestershire ranked 59th highest of the 326 local authority areas in England, the “Above median” benchmark applies.

Figure 53: Tenure splits for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review

		Proportion of 75 years and over in owner occupation	
		Above median	Below median
Age-exclusive	Rented	84	92
	Owner	16	8
Sheltered	Rented	69	84
	Owner	31	16
Enhanced sheltered	Rented	47	55
	Owner	53	45
Extra care	Rented	71	87
	Owner	29	13

- 5.23 Nevertheless, it is important to recognise that the CRESR Model is based on the mix of current provision, which may not reflect the most appropriate distribution when planning for additional provision.

“These tenure splits reflect current provision, which is significantly skewed towards social rented provision. If there is a desire to expand the provision of older people’s housing beyond current levels, this is likely to require disproportionate increases in ownership forms of supply. This is in part due to demand being focused on these ownership forms, particularly in areas with high levels of existing older homeowners.”

Reviewing the Existing Stock of Specialist Older Person Housing

- 5.24 As previously noted, the 2021 Census identified a total of around 26,600 persons aged 75 or over resident in South Gloucestershire at that time (Figure 47) and data published by the Elderly Accommodation Counsel (EAC) identifies that there is an overall stock of around 2,500 specialist older person housing units across the area (Figure 50). On this basis, we can determine that the current provision of stock in the area equates to around 94 dwellings per 1000 persons aged 75 or over.
- 5.25 Figure 54 compares the rates for the different types of specialist housing for sale and rent with the suggested target benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model. This suggests that the owned stock is currently below, and the rented stock is currently above the respective benchmark rates suggested by the Housing LIN. However, baseline rates from the CRESR Model suggest that the existing stock of Housing with Care (both owned and rented) is higher than would be expected (based on the 100 English local authorities with the highest overall provision) whilst the existing stock of Housing with Support (both owned and rented) is lower than expected.

Figure 54: Existing Specialist Older Person Housing for South Gloucestershire (Source: Housing with Support based on data published by EAC for 2015. Housing with Care based current EAC data published in the Housing LIN study)

Form of Provision	Existing Supply – Number of dwellings	Existing Supply – Percentage	Existing Supply – Rate per 1000 persons aged 75+	Housing LIN 2016 Review - Benchmark rates	Housing LIN 2016 Review - Supply-Demand balance	CRESR Model - Benchmark rates	CRESR Model - Supply-Demand balance
Housing with Support	1,830	-	69	100	-31	153	-84
Owned	315	17%	12	67	-55	47	-35
Rented	1,515	83%	57	33	+24	106	-49
Housing with Care	683	-	26	35	-9	20	+6
Owned	314	46%	12	26	-14	7	+5
Rented	369	54%	14	9	+5	13	+1
TOTAL	2,513	-	94	135	-41	173	-79
Owned	629	25%	24	93	-69	54	-30
Rented	1,884	75%	71	42	+29	119	-48

- 5.26 Figure 50 previously established that the existing stock of rented specialist older person housing was higher than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census. Therefore, it seems unlikely that there is a shortfall of rented homes (as suggested by the CRESR Model) and the surplus suggested by the Housing LIN benchmark rates appear more credible.
- 5.27 The existing owner-occupied stock of specialist older person housing represented less than 4% of owner occupiers aged 75 or over living in the area. Given this context, it is perhaps not surprising that both the benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model suggest a likely shortfall. The benchmark rates from the Housing LIN Review (93 owned properties per 1000 persons aged 75+) suggest a need for 2,476 units, which yields a shortfall of 1,847 units. This implies the need to provide an additional three new homes for every one existing unit to address the needs of the existing population, without taking account of any future growth in the older population.
- 5.28 Whilst this conclusion may seem extreme, this number of homes would still only be equivalent to around 15.2% of the owner occupier households aged 75 or over, so it is not an entirely implausible conclusion. Nevertheless, in the same way as the Housing LIN Review acknowledged that the Housing in Later Life report had suggested an increased figure that had not been substantiated, it is unclear what evidence actually supports the rates for leasehold housing that were used by the More Choice, Greater Voice Toolkit to which the 2016 Review reverted.
- 5.29 In contrast, the CRESR Model rate (54 owned properties per 1000 persons aged 75+) is based on actual stock across the 100 English local authorities with the highest overall provision. On this basis, there would be a need for 1,438 units in South Gloucestershire and therefore a shortfall of 809 units, which implies that the existing stock would still need to more than double (an increase of 129%) in order to meet current needs. However, this would then mean that provision in South Gloucestershire was in line with the highest rates of provision nationally.

- 5.30 ORS survey data from a study in Central Bedfordshire identified that 6.7% of owner occupiers would consider specialist older person housing in that area,²⁹ and a similar survey that ORS undertook across the whole of Great Britain identified that 7.5% of owner occupiers would consider specialist older person housing nationally. Further research and modelling by Three Dragons suggests that of those current owners moving into retirement housing, around 85% would want and could afford to move into a purchased property.³⁰ Together, these figures provide a further benchmark for comparison.
- 5.31 Based on around 16,300 households aged 75 or over that own their own home in South Gloucestershire, the above rates would suggest that around 1,200 owner occupiers are likely to want specialist housing for older persons, and of these around 1,040 households would want and could afford to buy. This suggests an existing shortfall of around 357 dwellings (equivalent to 13 per 1000 persons aged 75+) which still represents an increase of 56.8% to the existing stock and supports the Housing LIN conclusion that *“there is evidence of an undersupply of ECH for sale across the WoE footprint”*.
- 5.32 The key point to note is that there is no single correct answer when estimating the need for older person housing, and it is therefore appropriate to establish a local framework which takes account of local data. This would suggest that there is no shortfall of rented housing, but an existing need for at least 357 owned units.
- 5.33 When considering the balance between Housing with Support and Housing with Care, both the Housing LIN and CRESR Model suggest a shortfall of owner-occupied Housing with Support, but when considering owned Housing with Care, the CRESR Model suggests that current provision in South Gloucestershire is higher than the average rate for those areas with the highest rates of provision nationally. However, it is important to recognise that this is a growing market, and it is likely that at least some of the additional owned units will need to be provided as Housing with Care.

²⁹ https://www.centralbedfordshire.gov.uk/Images/assessment-housing-needs-older-people_tcm3-24075.pdf

³⁰ <https://www.three-dragons.co.uk/>

Establishing the Future Need for Specialist Older Person Housing

- 5.34 The population projections underlying the Local Housing Need figure for South Gloucestershire show a substantial increase in the older population with almost 30,500 persons aged 75 or over projected to be resident by the 2025 base date, and a subsequent increase of almost 9,200 persons and 6,300 households over the period 2025-2040.

Figure 55: Projected population aged 75+ (Source: LHNA modelling, ORS)

	Total population 2025	Total population 2040	15-year change 2025-2040
RESIDENT POPULATION			
Household population	28,552	36,875	+8,323
Communal Establishment population	1,945	2,776	+831
Total Resident Population	30,497	39,651	+9,154
HOUSEHOLD POPULATION			
Living as a single person household	10,290	13,630	+3,340
Living in a couple or another type of household	18,262	23,245	+4,983
Total Household Population	28,552	36,875	+8,323
HOUSEHOLD REPRESENTATIVES			
Single person household representative	10,290	13,630	+3,340
Couple household representative	9,194	11,746	+2,552
Other household representative	1,205	1,582	+377
Total Household Representatives	20,690	26,959	+6,269

- 5.35 It is also important to recognise that almost half of this extra population will be aged 85 or over (4,251 persons, 46% of the increase aged 75+). These residents are likely to have increasingly complex care and support needs, including dementia, but also mental health needs and frailty related needs, and as was identified by the Housing LIN study, it will be important to consider the associated changes in the profile of housing need.
- 5.36 Figure 56 considers the need for specialist older person housing in South Gloucestershire over the Plan period. Based on the total resident population aged 75 or over in 2025 (around 30,500 persons), the existing supply has been used to establish a baseline rate. A target rate has also been established. For rented housing this reflects the baseline rate, given the earlier conclusion that there is no existing shortfall of rented specialist older person housing.
- 5.37 Given that there was an identified shortfall of owner-occupied units, the target for Housing with Care takes the midpoint between the CRESR Model (7 per 1000 persons) and the Housing LIN benchmark rates (26 per 1000 persons) as previously set out in Figure 54. This yields a rate of 18 per 1000 persons aged 75 or over, a baseline need for 549 units and a shortfall of 235 units at the start of the Plan period in 2025.

- 5.38 Finally, for owned Housing with Support, the target rate has been calculated based on the overall demand for specialist housing from owner occupiers after allowing for the previously identified need for Housing with Care.³¹ This yields a rate of 20 per 1000 persons, a baseline need for 610 units and a shortfall of 295 units at the start of the Plan period in 2025. Whilst this rate is lower than both the Housing LIN benchmark and the CRESR Model, it is double the baseline rate and provides a reasonable target in the context of the local area.
- 5.39 The baseline need has been derived through applying the target rates to the total population in 2025, and the new need arising over the 15-year period 2025-2040 applies the same rates to the projected change in population over that period. Summed together, these yield the gross need in 2040; and the net need is calculated through offsetting the existing supply.
- 5.40 Based on this analysis, **there is an identified need for an additional 1,446 specialist older person housing units over the 15-year Plan period 2025-2040**, including 936 units of Housing with Support (478 owned and 458 rented) and 510 units of Housing with Care (400 owned and 110 rented).

Figure 56: Modelled Need for Specialist Older Person Housing in South Gloucestershire 2025-40

Form of Provision	Existing supply	Baseline Rate per 1000 persons aged 75+	Target Rate per 1000 persons aged 75+	Baseline need in 2024	New need arising 2024-2039	Gross need in 2039	Net need 2024-2039
Housing with Support	1,830	60	70	2,125	641	2,766	936
Owned	315	10	20	610	183	793	478
Rented	1,515	50	50	1,515	458	1,973	458
Housing with Care	683	22	30	918	275	1,193	510
Owned	314	10	18	549	165	714	400
Rented	369	12	12	369	110	479	110
TOTAL	2,513	82	100	3,043	916	3,959	1,446
Owned	629	20	38	1,159	348	1,507	878
Rented	1,884	62	62	1,884	568	2,452	568

- 5.41 The model assumes a continuation of current types of housing although it is unclear if older people will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other, newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand. These and other considerations have informed South Gloucestershire's planning for adult social care; plans which include a range of services and support for those living at home with complex needs³². However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

³¹ Total households 2025 = 20,690; assuming 87.1% owner occupiers = 18,030; assuming 7.5% would consider specialist older person housing and 85% could afford to buy = 1,149; less the identified Housing with Care baseline of 549 = 610; as a rate based on 30,497 persons = 20 per 1000

³² Specifics on South Gloucestershire's planning for adult social care provision can be found in their market position statement on the topic. The latest version is available at <https://beta.southglos.gov.uk/health-and-social-care/care-support-for-adults/>. The link to the most recent iteration of the market position statement can be found at the bottom of the webpage under the heading "Information for Providers".

5.42 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:

- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current need;
- » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs; and
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service.

Housing for People with Disabilities

- 5.43 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).³³
- 5.44 Three standards are covered:
- » M4(1) Category 1: VISIBLE dwellings – Mandatory, broadly about accessibility to ALL properties
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, wheelchair accessible standard.
- 5.45 The Government has recently consulted on the future of these standards and how they will be applied.³⁴ The consultation proposals recommended that all homes are built to M4(2) standard and a fixed proportion to M4(3) standard. They also noted that *“Some local authorities already apply the M4(2) standard as a minimum (e.g. the London Plan)”* (para 28) and that *“In terms of benefits, the mandating [of] M4(2) may potentially reduce the need for social care”* (para 46). If these proposals were adopted, then it could see these issues become less contested in the future. However, as the outcome of the consultation is unknown, the assessment is based on current policy and guidance.
- 5.46 In terms of new developments, Part M states that: *“Where no condition is imposed, dwellings only need to meet requirements M4(1)”* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.
- 5.47 Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.

To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.

Planning Practice Guidance, ID 56-007-20150327

³³ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

³⁴ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

5.48 Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

5.49 The PPG states:

Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment³⁵ (replacing Disability Living Allowance) / Attendance Allowance³⁶ benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant³⁷ (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.

Planning Practice Guidance, ID 63-005-20190626

5.50 For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.

5.51 Given that the numbers of households with a limiting long-term illness or disability affecting housing (both existing and projected) that are likely to need to move comprises a significant proportion when compared to the total LHN (Figure 60), and furthermore given that the rates of limiting long-term illness or disability affecting housing needs are much higher in the affordable tenures (see Figure 57 following, affordable tenures are more than three times more likely to need an adapted home), the evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards where viability allows, perhaps as much as 100%.

5.52 A policy consultation from MHCLG: “Raising Accessibility Standards for New Homes” (September 2020) suggests that this issue will become less contested in the future, as the Government’s response to the completed consultation states at paragraph 73 that:

Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

Raising Accessibility Standards for New Homes, Government Response to Consultation, July 2022

³⁵ Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

³⁶ Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

³⁷ Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

Need for Accessible and Adaptable Dwellings

- 5.53 In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.
- 5.54 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

“The provision made must be sufficient to-
(a) meet the needs of occupants with differing needs, including some older or disabled people, and
(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.”

Access to and use of buildings: Approved Document M v1, Page 10

- 5.55 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.
- 5.56 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 57).

Figure 57: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	6.5%	19.8%	8.8%

- 5.57 Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.
- 5.58 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in South Gloucestershire to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

Figure 58: Households with a long-term illness or disability in South Gloucestershire in 2025 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

SOUTH GLOUCESTERSHIRE	TOTAL
Households with one or more persons with a limiting long-term illness or disability	34,435
Does not affect their housing need	24,755
Current home suitable for needs	7,947
Current home requires adaptation	889
Need to move to a more suitable home	844
Total households where a limiting long-term illness or disability affects their housing need:	9,680

- 5.59 The model (Figure 58) identifies that there are likely to be around 34,400 households in South Gloucestershire in 2025 with one or more persons with a limiting long-term illness or disability. In around 24,800 of these households, this does not affect their housing need, but in around 9,700 households an illness or disability does impact on housing need.
- 5.60 Amongst those households where it does affect housing needs around 7,900 households are already living in a suitable home (having moved or made adaptations). This leaves 889 households needing adaptations to their current home and 844 households needing to move to a more suitable home. The 844 households needing to move represent an existing **unmet need** either for M4(2) housing or, given that some may actually be wheelchair users, for M4(3) housing.
- 5.61 The identified need for 844 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires "*the changing needs of occupants over time*" to be considered. Therefore, even without any change to the number of households in South Gloucestershire, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older (Figure 59).

Figure 59: Households with a long-term illness or disability in South Gloucestershire 2025-40 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households where an existing illness or disability affects their housing need in 2025	
Current home suitable for needs	7,947
Current home requires adaptation	889
Need to move to a more suitable home	844
Total households where a limiting long-term illness or disability affects their housing need in 2025	9,680
Existing households in 2025 likely to develop health problems that affect their housing need within 10 years	3,202
Additional households in 2040 projected to experience problems or likely to develop problems within 10 years	6,098
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years	9,300

- 5.62 Whilst around 9,700 households living in South Gloucestershire in 2025 have a health problem that already affected their housing requirement, it is likely that a further 3,200 households would develop health problems within 10 years. These households would also require adaptations to their current home or would need to move to a more suitable home.

- 5.63 Based on the household projections and the overall housing need, we can also establish the future need for adapted housing in the area based on the projected household growth and the changing demographics of the area.
- 5.64 Further modelling of health needs suggests that by 2040 there will be an additional 6,100 households either already experiencing health problems or likely to develop health problems within 10 years. Many of these may be new households, but a number will be existing households resident in 2025 whose health has deteriorated over the Plan period.
- 5.65 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 9,300 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 844 households needing to move and the 889 households needing adaptations based on their current health at the start of the Plan period.
- 5.66 To provide M4(2) housing for all of the identified need would require housing for up to 11,000 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.
- 5.67 Although some households would prefer not to move, many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the existing housing mix in South Gloucestershire, it is likely that around 5,600 households will live in dwellings that could be converted to meet the M4(1) standard.
- 5.68 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 4,523 households need to move to adapted or adaptable housing, including the 844 households identified as needing to move at the start of the Plan period.

Figure 60: Households with a long-term illness or disability in South Gloucestershire by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

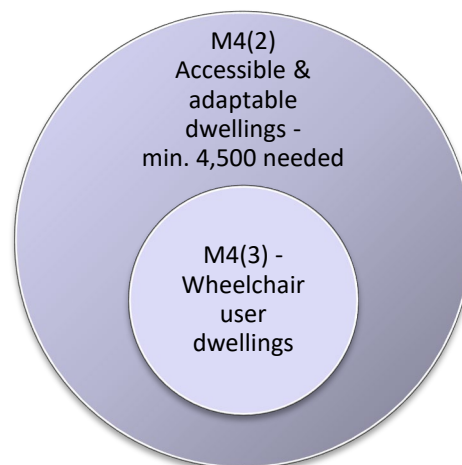
SOUTH GLOUCESTERSHIRE	TOTAL	% of LHN
Existing need in 2025		
Households where an existing illness or disability affects their housing need and need to move in 2025	844	-
Projected future need 2025-40		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years	9,300	-
Maximum need for adapted housing 2025-40 (households)	10,143	51%
Less households living in dwellings adaptable to M4(1) standard	5,620	-
Minimum need for adapted housing 2025-40 (households)	4,523	23%

- 5.69 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 4,523 households and maximum of 10,143 households identified in Figure 60 provide an appropriate range for the local authority to consider.

Housing for Wheelchair Users

5.70 The overall need calculated in the previous section represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. Households with a wheelchair user are included within the definition of households having a health problem or disability that affects their housing need.

5.71 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:



“The provision made must be sufficient to-
(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;
(b) to meet the needs of occupants who use wheelchairs.”

Access to and use of buildings: Approved Document M v1 - Page 23

5.72 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

5.73 The CLG guide to available disability data³⁸ referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 61 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

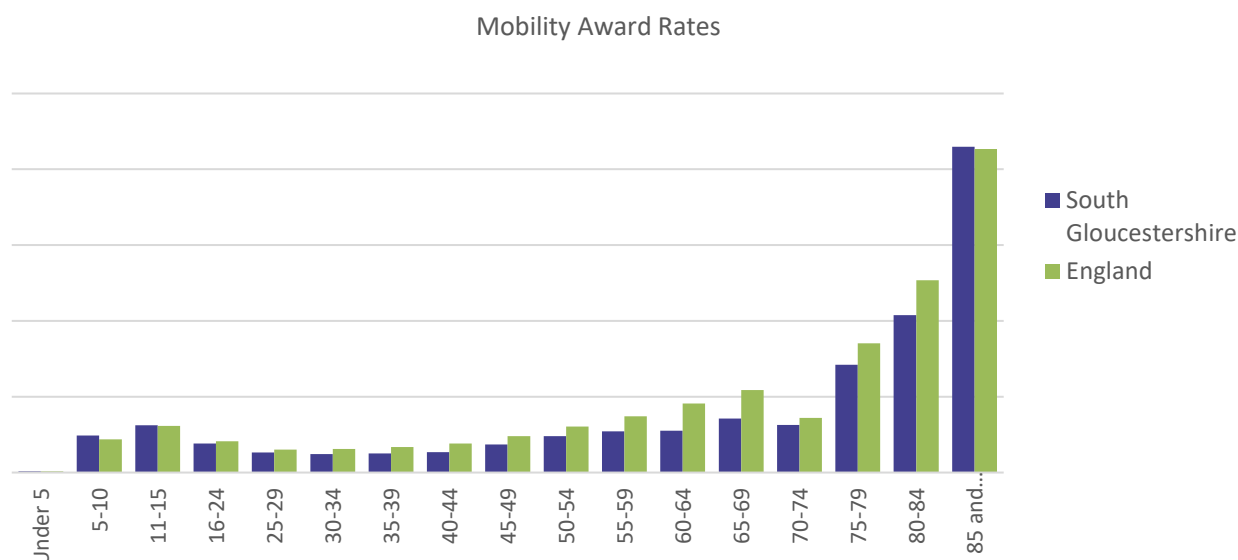
Figure 61: Percentage of households with a wheelchair user by type of housing and age of household representative
 (Source: English Housing Survey 2013-14)

Housing Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

5.74 To get a better understanding of the local data for South Gloucestershire, Figure 62 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for South Gloucestershire against the figures for England.

³⁸ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

Figure 62: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2022)



5.75 Through combining the information on local rates with the national data, we can establish the proportion of households likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 63).

Figure 63: Percentage of households with a wheelchair user in South Gloucestershire, by type of housing and age of household representative (Source: EHS, DWP)

SOUTH GLOUCESTERSHIRE	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.8%	3.8%	5.7%	9.3%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.8%	9.9%	12.1%	20.0%

5.76 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2025 to 2040 (Figure 64).

Figure 64: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2025	2040	Net change 2025-40	Percentage of LHN
Market housing	2,790	3,360	+570	3.4%
Affordable housing	1,130	1,440	+320	9.9%
Total	3,920	4,810	+880	4.4%

5.77 Using this approach, the number of households likely to need wheelchair adapted housing in South Gloucestershire is likely to increase by 880 over the 15-year period. This amounts to just over 4% of the housing need over the same time period, so would suggest a need for at least 4% of new dwellings to be built to M4(3) standard (albeit the target may need to be higher, as not all new housing schemes would deliver the necessary percentage).

5.78 Importantly, as the model has included household age, it is possible to identify that almost two thirds of this growth (65%) comes from households which are aged over 75. This can be seen in Figure 65.

Figure 65: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75 in 2024	Households aged under 75 in 2039	Net change 2024-39	Households aged over 75 in 2024	Households aged over 75 in 2039	Net change 2024-39
Market housing	1,610	1,790	+180	1,180	1,570	+390
Affordable housing	680	810	+130	450	640	+190
Total	2,290	2,600	+310	1,640	2,210	+570

5.79 This means that there are likely to be some people who are identified in both categories – wheelchair adapted housing and specialist older person housing.

5.80 Earlier analysis of housing for older people identified a need for around 1,146 specialist older person housing units for households aged 75 or over in South Gloucestershire. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that many of those living in specialist older housing could need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health. Considering that a given older persons residence may house multiple residents in its lifetime, it becomes even more likely that at some stage a resident requires a wheelchair. Furthermore, it may be noted that where it is possible to retrospectively adapt residences, this may be costly or difficult.

5.81 On this basis it may be appropriate to adopt a target of 100% wheelchair accessibility (where viable) for specialist accommodation for older people to avoid potential inequality of provision. This could also reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

Accommodation for Young People Leaving Care

5.82 A ministerial statement in May 2023 stressed the importance of providing accommodation for looked after children.³⁹ The Statement refers to the NPPF requirement to consider the needs of different groups in the community and states that *Local planning authorities should consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment.*

5.83 In the years 2018 to 2022, between 145 and 160 who were looked after when aged 16 and are currently aged 17 to 21 were recorded as known to be in accommodation in South Gloucestershire. Of these, between 136 and 151 were considered to be in suitable accommodation.

5.84 The data suggests that a total of around 145 and 160 places are required for young people leaving care each year. Up to 12 of these young people each year are in unsuitable accommodation, or their accommodation is not known. Providing suitable accommodation for these young people is a priority, whether that be through physical dwelling or support.

³⁹ <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

- 5.85 What counts as suitable accommodation will depend on individual circumstances to some extent. Therefore, on top of this broad estimate of annual need, detailed planning with children and young people's social care is required to ensure that young people leaving care are suitably housed.

Figure 66: The number of young people who were previously looked after and known to services and the number in suitable accommodation in 2018-22 (Source: DfE)

Year	Total recorded in accommodation	Accommodation considered suitable	Accommodation considered unsuitable or not know
2018	148	136	12
2019	160	150	10
2020	145	137	8
2021	157	147	10
2022	160	151	9

Student Housing

- 5.86 PPG 2019 includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area.

Planning Practice Guidance, ID 67-004-20190722

- 5.87 Bristol City has significant student numbers, mainly studying at two Higher Education Providers (HEPs). However, the University of the West of England (UWE) main campus is now the Frenchay Campus, located in South Gloucestershire.
- 5.88 The 2021 Census recorded 10,970 full time students aged 18 or over living in South Gloucestershire⁴⁰. The main cohort of students of interest here is the 7,370 recorded who did **not** live with their parents, of which 2,811 (38%) lived in all student households. There are two reasons to exclude those students recorded as living with their parents; firstly because it is not feasible to predict whether any future demand will arise from that group, ... and secondly because many students had returned to their family homes at the time of the 2021 Census due to lockdowns associated with the Covid-19 pandemic.
- 5.89 According to the Higher Education Statistics Agency (HESA), the number of full-time students studying at UWE increased from around 20,400 in 2014/15 to 22,000 in 2018/19, but subsequently increase to around 29,750 full time students in 2021/22.⁴¹ The UWE website states that in the academic year 2021/22 there were 29,091 full time students enrolled at the University⁴².

⁴⁰ [Nomis - Official Census and Labour Market Statistics - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/)

⁴¹ HESA: [Table 57 - Full-time and sandwich HE student enrolments by HE provider and term-time accommodation 2014/15 to 2021/22 | HESA](#)

⁴² [Student and staff numbers - Demographic data | UWE Bristol](#)

5.90 UWE is currently at the start of a process to increase the number of student bedspaces on the Frenchay Campus with an aim to provide accommodation for all first-year students. There are currently 3,149 bedspaces on the Campus. The first development phase is a 900-bedroom redevelopment of 252 student bedrooms at Carroll Court; an increase of around 650 bedspaces. This phase began in 2021 and is due for completion in 2023. A consultation on the provision of a further 420 bedspaces ended in April 2023.⁴³ Importantly, all bedspaces in these first two phases are on the UWE Frenchay Campus itself.

5.91 In total, including the provision above, UWE intends to provide an additional 3,000 – 3,500 bedspaces; around 1,650 by September 2025 and the rest at a later date. The schedule for this provision is:

Figure 67: Proposed delivery of student bedspaces (Source: UWE)

Phase	Number	Notes
SAP3 UWE own	900	Delivery September 2023
SAP4 Leasing	326	Delivery September 2025
SAP5 UWE own	416	Delivery September 2025
SAP6	1,500 - 2,000	Actual number to be confirmed
Total	3,142 - 3,642	

5.92 If all the proposed bedspaces are provided on the Frenchay Campus then there are two possible effects on the housing need in South Gloucestershire. The first is that student shared houses in the PRS may return to the market if the students that would have lived in those houses move on to the Frenchay Campus.

5.93 The second effect of increasing the bedspaces on the Frenchay Campus is on how many students will move out following their first year on campus and aspire to live close to that campus. Below are broad approaches to assessing the additional need for PRS student properties in the timescale of the Local Plan.

5.94 In the first approach, we assume that all the additional bedspaces will result in students wishing to continue to live in South Gloucestershire. It is also assumed that once the new student housing market is established, there will be little or no increase in the number of dwellings required because the Frenchay Campus will be, or will approach 100% occupied, and that in general the same student dwellings will pass from one cohort of students to the next.

5.95 The following table assesses the need for student PRS dwellings by applying two ratios for the number of students per dwelling; 2.5 students per dwelling, and 3.5 per dwelling. Before applying the ratios to the SAP3 development of 900 bedspaces, it is necessary to discount the 250 bedspaces that were lost as part of the redevelopment. South Gloucestershire DC have already calculated the figures at a ratio of 2.5. The results are shown below; a potential total need of between 570 to 630 houses in the PRS for students.

Figure 68: Demand for shared student accommodation in the PRS – all new bedspaces

Phase	Gross Number	Net number	2.5 ratio applied	3.5 ratio applied
SAP3 UWE own	900	650	260	186
SAP4 Leasing	326	326	130	93
SAP5 UWE own	416	416	160	119
SAP6	1,500 - 2,000	1,500 - 2,000	600 – 800	428 - 571
Total	3,142 – 3,642	3,142 – 3,642	1,150 – 1,350	830 – 970 (rounded)

⁴³ [New student accommodation proposal - Campus developments | UWE Bristol](#)

- 5.96 These numbers assume that all students occupying the new accommodation on the Frenchay Campus will move out to the PRS in South Gloucestershire. However, the Census 2021 suggests that only 38% of existing students in South Gloucestershire live in student households in the PRS. This could be because of lack of accommodation, or because of a preference to live in the City of Bristol.
- 5.97 The following table takes account of the possibility of many students preferring to live in Bristol City by considering only 40% of all the students who will live in the new Frenchay Campus bedspaces then applying the same ratios; 2.5 and 3.5 students per dwelling.

Figure 69: Demand for shared student accommodation in the PRS taking account of the Census 2021

Phase	Gross Number	Net number	40% of Net	2.5 ratio applied	3.5 ratio applied
SAP3 UWE own	900	650	260	104	74
SAP4 Leasing	326	326	130	52	37
SAP5 UWE own	416	416	166	67	48
SAP6	1,500 - 2,000	1,500 - 2,000	600 - 800	240 – 340	171 – 229
Total	3,142 – 3,642	3,142 – 3,642	1,156 – 1,356	463 - 563	330 – 388 (rounded)

- 5.98 Considering the different approaches, the new bedspaces on the Frenchay Campus could lead to a demand for between 330 and 970 dwellings for students in South Gloucestershire. However, there is some ongoing uncertainty as there may be other providers of student accommodation who may come to the market. The need for shared student accommodation in the PRS should therefore be kept under further review and as such we recommend that more information is gathered on an ongoing basis.

Service Families

- 5.99 Paragraph 61 of the 2019 NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families.
- 5.100 In South Gloucestershire, there has been an increase in civilian MoD personnel over the last few years, averaging an increase of 460 personnel per annum over the last five years (Figure 70). Over the most recent year for which data is available (2021-22) there was a relatively small increase of 90 persons:

Figure 70: MoD personnel in South Gloucestershire 2014-2022 (Source: MoD Annual location statistics 2022, [c] = 5 or fewer, therefore confidential. Note: Figures may not sum due to rounding.)

South Gloucestershire	Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018	Apr 2019	Apr 2020	Apr 2021	Apr 2022
MILITARY PERSONNEL									
Officers	970	920	910	900	870	860	910	900	890
Other Ranks	410	400	410	420	400	400	400	400	400
Sub-Total	1,380	1,320	1,320	1,330	1,270	1,270	1,300	1,300	1,290
MOD CIVILIANS									
Non-Industrial	7,730	7,980	8,150	9,120	8,980	9,160	9,780	9,880	9,860
Industrial	100	140	150	0	[c]	[c]	[c]	[c]	[c]
Trading Funds	5	0	0	0	900	1,060	1,240	1,470	1,590
Sub-Total	7,840	8,120	8,300	9,120	9,890	10,230	11,030	11,350	11,460
TOTAL	9,220	9,430	9,620	10,450	11,160	11,500	12,330	12,650	12,740

- 5.101 At the time of writing, South Gloucestershire Council had no information on any future increases of MoD. As part of the plan making process, the council may choose to engage with the MoD to establish what (if any) housing need future personnel may comprise as part of the LHN.

Essential Local Workers

- 5.102 Annex 2 of the 2019-Revised NPPF also mentions the needs of essential local workers in its definition of affordable housing:

Affordable housing: 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);

Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.

National Planning Policy Framework – Annex 2

- 5.103 It is notable that the definition provided by the 2019 NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.
- 5.104 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers in need.

People Wishing to Build their Own Homes

5.105 Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

5.106 The Self-Build and Custom Housebuilding Act⁴⁴ 2015 and subsequent amendments in the Housing and Planning Act 2016⁴⁵ place a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- » Provide sufficient serviced plots with planning permission for self-build or custom housebuilding to meet the need on the register, and offer these plots to those on the register at market value; and
- » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

5.107 In February 2021 the Government updated Planning Practice Guidance in the form of, Self-build and custom housebuilding⁴⁶. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met.

5.108 The new guidance defines self-build and custom housebuilding as:

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation ('turnkey')

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding.

⁴⁴ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

⁴⁵ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

⁴⁶ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/self-build-and-custom-housebuilding)

The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.

When reading this guidance, reference should be made to the:

Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016)

Self-build and Custom Housebuilding Regulations 2016

Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016

In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.

Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.

Planning Practice Guidance, ID: 57-016-20210208

- 5.109 Within this definition, it is clear that conversions (i.e. converting a whole dwelling, such as a barn or office conversion) can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer do not meet the definition. However, it does leave a situation where the buyer can choose from a range of options before building commences as being custom build.
- 5.110 Alongside the updated guidance, MHCLG published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and household can appear on more than one register. It is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.
- 5.111 As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 10,100 plots were given planning permission in 2018/19. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted.
- 5.112 The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. There is no duty on a relevant authority to permission land which specifically meets the requirements expressed by those on the register. Relevant authorities should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop.

Planning Practice Guidance, ID: 57-028-20210208

What does having a ‘duty to grant planning permission etc’ mean?

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority’s register during a base period.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

Planning Practice Guidance, ID: 57-023-20210208

- 5.113 Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register within three years. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in ‘base periods’ that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.
- 5.114 The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. The guidance is also clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

What is the relationship between the register and the Strategic Housing Market Assessment?

Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.

Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.

Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.

Planning Practice Guidance, ID: 57-011-20210208

April 2021 Self and Custom Build Action Plan

5.115 In April 2021, MHCLG produced a new action plan to further support the development of the self-build and custom housebuilding sector.⁴⁷ This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, local authorities were provided additional funding to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The ‘Planning for the Future’ White Paper also included proposals for local authorities to identify sites for self-build, custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to support local authorities, community groups and other organisations to help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

Review into Scaling Up Self and Custom Housebuilding

5.116 As part of the April 2021 Action Plan, the government commissioned an independent review into the scaling up of self and custom housebuilding. This report was published in August 2021⁴⁸ and the government responded to this review in June 2022⁴⁹.

5.117 The review focuses primarily on supply side factors limiting the delivery of self and custom housebuilding and produced 6 key recommendations which were broadly supported by the government:

- » Greater role for Homes England;
- » Raise awareness of the Right to Build;
- » Support community-led Housing, diversity of supply and Levelling Up;
- » Promote greener homes and more use of advanced manufacturing;
- » Support custom and self-build housebuilding through the planning reforms; **and**
- » Iron out any tax creases.

⁴⁷ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97422/self-and-custom-build-action-plan-2021.pdf)

⁴⁸ [Independent review into scaling up self-build and custom housebuilding: report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97422/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report-2021.pdf)

⁴⁹ [Government response to the independent review into scaling up self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97422/government-response-to-the-independent-review-into-scaling-up-self-build-and-custom-housebuilding-2022.pdf)

Local Evidence

- 5.118 South Gloucestershire has put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding register. A local connection test has been introduced, but there is no financial viability test nor is there any charge for joining the register. The adopted Local Plan includes specific proposals relating to self and custom housebuilding prompting their delivery as part of the housing mix, with a specific percentage required on larger sites, and supplementary planning policies and/or guidance have also been introduced.
- 5.119 Figure 71 shows that as of October 2022, South Gloucestershire has not provided enough self and custom housebuilding plots to meet the needs identified on the register:

Figure 71: Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data)

Self-build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016-Oct 2017	Oct 2017-Oct 2018	Oct 2018-Oct 2019	Oct 2019-Oct 2020	Oct 2020-Oct 2021	Oct 2021-Oct 2022
New applicants on the register	434	197	70	119	157	151	111
Number on register – individuals	433	627	700	892	1,004	1,083	1,194
Number on register – groups	1	3	2	3	3	4	4
Total number on register – registrations	434	630	702	895	1,007	1,087	1,198
Planning permissions for serviced plots granted	-	62	163	278	17	46	43

Future Need for Self-build and Custom Housebuilding

- 5.120 As highlighted above, South Gloucestershire is currently not providing sufficient plots to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register. This is despite the adopted Local Plan having policies to promote serviced plots with a requirement for a proportion of plots on larger sites to be made available.
- 5.121 As noted earlier, PPG recommends that alternative sources of data beyond the register, such as Need a Plot, can be considered to highlight the need for self and custom housebuilding plots. However, this now reverts back to council registers, so the only recorded information on the demand for self and custom housebuilding is the self-build register and the actual uptake of plots.
- 5.122 The first priority of the Council should be to ensure that they are complying with national policy and meet the demand from the self and custom housebuilding register. The evidence from areas like Germany indicate that the demand for self and custom housebuilding can be close to the total housing supply and that delivery is more supply constrained, with small and medium size builders delivering many of the custom housebuilding plots. It is these supply constraints that much of government policy is now focused towards addressing.

- 5.123 We would note that our experience across the country has been that the self-build and custom housebuilding sector works relatively well for households who are seeking to build bespoke properties on single plot sites and as part of multi-plot sites. There is less evidence that those with lower budgets are having their needs met because the price of plots remains high. This in turn can be taken as a reflection that the market for self and custom housebuilding is supply constrained and that suitable plots attract a premium which is offsetting reductions from CIL exemptions. Within this group there are likely to be some households who are seeking to help design their own house, often from customising the interior of a set exterior. Meanwhile, other households will be seeking affordable homeownership dwellings where they can be heavily involved in the building of their final property. The Government's new help to build scheme may help to make self and custom housebuilding more accessible and affordable.
- 5.124 It is for these two groups that South Gloucestershire could seek to work more proactively. There is potential for SMEs to deliver market homes which can be customised at the outset as part of the mix of self and custom build delivery offered in the district. This approach can be considered to fit within the definition of custom-built housing; and could both be encouraged with the provision of small and larger sites.
- 5.125 Meanwhile, South Gloucestershire could also seek to work with developers and Registered Providers to assess the potential demand for affordable to own self-build and custom housebuilding, as part of the affordable housing contribution. This would be in lieu of providing completed affordable housing; but would allow households to help deliver their own affordable home ownership properties. This element could range from providing serviced plots at cost or partially completed dwellings which are sold to Registered Providers at cost.

Appendix A

Glossary of Terms

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework Glossary:

Affordable housing

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

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

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

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

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

National Planning Policy Framework Glossary, February 2019

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”⁵⁰.

A Dwelling is a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained; but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: “*the proportion of people in each age group and household type who are the ‘head’ of a household*”⁵¹

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. ‘Gross’ or ‘new’ household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting ‘successor’ households, when the former head of household dies or departs). ‘Net’ household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or Registered Provider is an independent body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom, or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom, or toilet facilities;

⁵⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁵¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low-cost home ownership products and intermediate rent.

Institutional Population (also known as Communal Establishment Population) are those living in managed residential accommodation, for example, nursing homes, student halls of residence, military barracks and prisons. The full definition of a Communal Establishment can be found in the 2011 Census glossary: <https://www.ons.gov.uk/census/2011census/2011censusdata/2011censususerguide/glossary>.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low-cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, a share in the property is purchased with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low-Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DLUHC	Department for Levelling Up, Housing and Communities
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leashold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

Table of Figures

Figure 1:	Annual Local Housing Need for South Gloucestershire based on the Government’s standard method calculation	6
Figure 2:	Comparing the standard method figure with the official household projections for South Gloucestershire 2023-2033 (Source: 2014-based household projections, CLG; 2018-based household projections, ONS)	7
Figure 3:	Dwelling growth identified by the LHNA scenarios for housing need (Source: LHNA modelling, ORS).....	10
Figure 4:	Key outputs from the LHNA housing need scenarios (Source: LHNA modelling, ORS).....	11
Figure 5:	Elements of housing need – South Gloucestershire (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)	12
Figure 6:	Components of the evidence-based annual Local Housing Need figure for South Gloucestershire	12
Figure 7:	Population projections 2025-40 by 5-year age cohort for South Gloucestershire (Source: LHNA modelling, ORS).....	13
Figure 8:	Total projected households in South Gloucestershire for 2025 and 2040 and summary of 15-year change by age of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)	14
Figure 9:	Total projected households in South Gloucestershire for 2025 and 2040 and summary of 15-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)	14
Figure 10:	Total projected households for 2025 and 2040 and summary of 15-year change by household type and age of household representative for South Gloucestershire (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)	15
Figure 11:	Number of Households by Tenure in South Gloucestershire 1991-2021 (Source: UK Census of Population).....	16
Figure 12:	Percentage of Households by Tenure in South Gloucestershire 1991-2011 (Source: UK Census of Population).....	16
Figure 13:	Number of Households in South Gloucestershire by Tenure 1991-2021 (Source: UK Census of Population).....	17
Figure 14:	Broad Rental Market Areas in the West of England (Source: VOA. Note: BRMA = white border, LA = black border)	20
Figure 15:	Weekly rent thresholds in South Gloucestershire (Source: Valuation Office Agency 2021-22; SDR 2022)	21
Figure 16:	Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size South Gloucestershire (Source: ORS based on Valuation Office Agency data October 2021 to September 2022; SDR 2022).....	23
Figure 17:	Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data; Valuation Office Agency data).....	24
Figure 18:	Weekly rent thresholds in South Gloucestershire (Source: Valuation Office Agency 2021-22; SDR 2022, JLL. Note: cells highlighted in red indicates Affordable Build to Rent is higher than equivalent lower quartile rent)	24
Figure 19:	Real House Price Trends: Lower Quartile Prices adjusted to September 2022 values using CPI (Source: ONS; Bank of England).....	25
Figure 20:	South Gloucestershire - Lower quartile prices (adjusted by CPI) (Apr 2021-Mar 23) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	26
Figure 21:	Example calculating income needed for home ownership.....	27

Figure 22:	Annual income thresholds for different housing options, single bedroom and two-bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)	28
Figure 23:	Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week)	29
Figure 24:	Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)	30
Figure 25:	Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)	30
Figure 26:	Comparison of weekly Shared Ownership/First Homes costs by property size and equity share (Source: VOA 2021-2022, Land Registry, ORS model. Assumptions as in Figure 23 excluding equity share.)	31
Figure 27:	Establishing the need for market and affordable housing	32
Figure 28:	Assessing affordability by household type and age (Source: Census 2021 and DWP)	33
Figure 29:	Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)	35
Figure 30:	Annual change in household numbers in each age cohort by age of Household Representative Person in South Gloucestershire (Source: ORS Housing Model)	37
Figure 31:	Annual components of Household Growth for South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	37
Figure 32:	Annual components of Household Growth South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	38
Figure 33:	Annual components of Household Growth South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	39
Figure 34:	Annual components of Household Growth South Gloucestershire 2025-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	39
Figure 35:	Assessing total need for market and affordable housing for South Gloucestershire (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	40
Figure 36:	Overall need for Affordable Housing in South Gloucestershire 2025-40 disaggregated based on ability to access affordable rents by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	40
Figure 37:	Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)	42
Figure 38:	Proportion of Owner Occupation by age group 2021 (Source: Census 2021)	42
Figure 39:	Long-term aspirations (Source: English Housing Survey 2021-22)	43
Figure 40:	Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)	43
Figure 41:	Households currently living in the Private Rented Sector in South Gloucestershire and paying their own rent that aspire to home ownership by Age of Household Representative (Note: Figures may not sum due to rounding)	44
Figure 42:	Affordable homeownership housing mix by household affordability in South Gloucestershire 2025-2040 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	46
Figure 43:	Total households needing affordable housing in South Gloucestershire 2025-2040 (Source: ORS Housing Model)	47

Figure 44:	Effective Demand from households needing affordable housing in South Gloucestershire 2025-2040 (Source: ORS Housing Model)	48
Figure 45:	Overall need for Market and Affordable Housing in South Gloucestershire 2025-40 by property type and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	50
Figure 46:	Overall Need for Affordable Housing in South Gloucestershire 2025-40 by property type and size as percentages of total (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	51
Figure 47:	Resident population aged 65+ living in South Gloucestershire by age and living arrangements (Source: 2021 Census)	53
Figure 48:	Resident population living in communal establishments by age (Source: 2021 Census)	53
Figure 49:	Household representative rates by age and household type (Source: 2021 Census)	53
Figure 50:	Existing dwelling stock in South Gloucestershire occupied by households aged 65+ (Source: 2021 Census; Housing with Support based on data published by EAC for 2015; Housing with Care based on EAC data published in the Housing LIN report “West of England extra care housing improvement project”, May 2023)	54
Figure 51:	Benchmark Figures for Specialist Older Person Housing	55
Figure 52:	Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review	56
Figure 53:	Tenure splits for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review	57
Figure 54:	Existing Specialist Older Person Housing for South Gloucestershire (Source: Housing with Support based on data published by EAC for 2015. Housing with Care based current EAC data published in the Housing LIN study)	58
Figure 55:	Projected population aged 75+ (Source: LHNA modelling, ORS).....	60
Figure 56:	Modelled Need for Specialist Older Person Housing in South Gloucestershire 2025-40	61
Figure 57:	Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey).....	65
Figure 58:	Households with a long-term illness or disability in South Gloucestershire in 2025 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	66
Figure 59:	Households with a long-term illness or disability in South Gloucestershire 2025-40 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	66
Figure 60:	Households with a long-term illness or disability in South Gloucestershire by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	67
Figure 61:	Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)	68
Figure 62:	Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2022).....	69
Figure 63:	Percentage of households with a wheelchair user in South Gloucestershire, by type of housing and age of household representative (Source: EHS, DWP)	69
Figure 64:	Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	69
Figure 65:	Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	70
Figure 66:	The number of young people who were previously looked after and known to services and the number in suitable accommodation in 2018-22 (Source: DfE)	71
Figure 67:	Proposed delivery of student bedspaces (Source: UWE)	72
Figure 68:	Demand for shared student accommodation in the PRS – all new bedspaces	72
Figure 69:	Demand for shared student accommodation in the PRS taking account of the Census 2021	73

Figure 70: MoD personnel in South Gloucestershire 2014-2022 (Source: MoD Annual location statistics 2022, [c] = 5 or fewer, therefore confidential. Note: Figures may not sum due to rounding.).....73

Figure 71: Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data).....79