Stratfield Mortimer

Neighbourhood Plan Housing Needs Assessment (HNA)

March 2025

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Quality information

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List of acronyms used in the text:

HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MHCLG	Ministry of Housing, Communities, and Local Government
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
SMNPSG	Stratfield Mortimer Neighbourhood Plan Steering Group
VOA	Valuation Office Agency
WBC	West Berkshire Council

1. Executive Summary

1.1.1. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Stratfield Mortimer Neighbourhood Plan Steering Group at the outset of the research.

1.1.2. This HNA has been undertaken in line with the National Planning Policy Framework (NPPF) [1] and practice guidance (both published in December 2024). [2]

1.1.3. Stratfield Mortimer is a Neighbourhood Area (NA) located in the local authority area of West Berkshire. The NA boundary covers the areas administered by Stratfield Mortimer Parish Council.

1.1.4. The first Stratfield Mortimer Neighbourhood Plan was adopted on 22 June 2017 and now forms part of the Development Plan for West Berkshire Council for the purposes of managing development in the parish of Stratfield Mortimer. The Plan includes allocations for 110 homes in Stratfield Mortimer to 2026. Actual completions over the plan period have exceeded this figure with the main development site, Land at St John's School, currently being built out.

1.1.5. A new Neighbourhood Plan is now being prepared, which is envisaged to start in 2026 and extend to 2041, therefore covering a period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2041, but where possible will also provide annualised figures which can be extrapolated to a different term if the Neighbourhood Plan period changes.

1.1.6. Census Output Areas do not match the parish boundary perfectly. Some Census data for 2021 is available for parishes but this is limited and cannot provide most of the data required for a HNA. As such, AECOM has used Output Areas which best fit the parish geography in order to gather the data for this HNA.

1.1.7. Data for the parish of Stratfield Mortimer from the Census 2021 records 4,005 residents (63 higher than the Output Area geographies), and 1,704 households (49 households higher than the Output Area geographies). The rest of the data in this report uses the Output Area geography for Stratfield Mortimer but it is useful to keep in mind that the actual population is slightly higher.

1.1.8. The 2021 Census indicates population growth of around 134 individuals (or 3.5%) since 2011. The average household size fell between 2011 and 2021.

1.1.9. West Berkshire Council provided completions data which shows that 120 dwellings were completed between 2016/17 (the start of the Neighbourhood Plan period) and 2023/24. The majority of these (82 dwellings) were completed since 2021 and are therefore not recorded in the Census data. In the most recent years (2022-24) new housing completions included 11 Affordable Homes.

[1] National Planning Policy Framework published in December 2024
[2] Housing and economic needs assessment - GOV.UK published in December 2024

1.1.10. Data from the 2021 Census is continuing to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level is not yet available, as well as some data comparing numerous variables. As such this HNA draws on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections where necessary to build up evidence at the neighbourhood level.

1.2. Affordability and Affordable Housing

1.2.1. The majority of households are home owners in Stratfield Mortimer (71.4%), a rate which is higher than West Berkshire and England as a whole. Whilst the level of social renting is similar in the NA to West Berkshire (both around 14% of households), this is lower than the share in England as a whole. The private rented sector also accounts for a smaller share of households in Stratfield Mortimer (13.5%) than in West Berkshire (17.2%) and England (20.6%).

1.2.2. Taken together, the smaller social and private rented sectors limit the availability of more affordable accommodation within the NA. This is a similar feature in other villages and rural areas across the country.

1.2.3. There has been growth in home ownership in the NA over the 10 year period with around 90 additional households (8.3% growth). The private rented sector has also grown by 9.2% but from a smaller basis so the growth accounts of less than 20 additional households. The number of households living in the social rented sector has fallen which may be explained by some of these households exercising their Right to Buy. A small number of Social Rented homes have been delivered since 2021 (5 in total) as part of the new development at Land South of St John’s School.

1.2.4. Mean average prices are £436,380 in Stratfield Mortimer and have grown by just under 13% over the 10 year period 2014-2023. Median average prices appear slightly lower at £417,00, increasing by 14% over the same period. Nevertheless, in absolute terms, average prices have increased by around £50,000 over the 10 year period. Median average prices are similar to West Berkshire as a whole.

1.2.5. Lower quartile prices in 2023 were £336,250 and have increased by 40% over the 10 year period. Lower quartile prices are around 12% higher than in West Berkshire as a whole (£295,000 in 2023).

1.2.6. Local households on average incomes (£59,000) are unable to access entry-level homes unless they have the advantage of a very large deposit. The median house price (£417k in 2023) would require an annual income of over £107k, around double the current average household income in the NA.

1.2.7. Average private rents are only affordable to households with high incomes. However, entry level rents are likely to be affordable to households on average incomes in Stratfield Mortimer. However, the availability of private rented properties is limited, particularly those at the cheaper end of the market.

1.2.8. There is a relatively large group of households in Stratfield Mortimer who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £58,000 per year (at which point entry-level rents become affordable) and £86,464 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as Discounted Market Sale, First Homes, Shared Ownership and Rent to Buy.

1.2.9. In Stratfield Mortimer, discounts of 40% on market prices would be needed to make them affordable to households on average incomes. Whilst discounts of 20-30% would extend home ownership to some households, these discounts would be insufficient to reach those on average incomes.

1.2.10. Shared ownership at 50% share may be on the margins of affordability to households with average incomes. Shares of 10% and 25% appear affordable to households on average incomes and may also be affordable to households with two lower quartile earners.[3]

1.2.11. Social and Affordable Rented housing performs a critical role in supporting households with the most acute housing needs. These households are likely to be on the lowest incomes and unable to afford market housing without subsidy.

1.2.12. The West Berkshire Updated Housing Need Evidence 2022 study identifies the need for 330 additional social/affordable rented homes and 367 affordable home ownership dwellings each year in West Berkshire as a whole.

1.2.13. When the figures are pro-rated to Stratfield Mortimer based on its fair share of the population (2.5 % of West Berkshire's population based on Census population in 2021), this equates to 17 Affordable Homes per annum over the Neighbourhood Plan period. This is comprised of 8 Social/Affordable Rented homes and 9 affordable home ownership homes (both figures rounded to nearest whole number).

1.2.14. West Berkshire Council's adopted policy on this subject CS9 and emerging Local Plan policy SP19 requires 30-40% of all new housing to be affordable (30% on previously developed land and 40% on greenfield land). On smaller of 5-9 dwellings, a reduced proportion of 20% is required.

1.2.15. Compared to the estimates of Affordable Housing need in Stratfield (17 homes per annum), the potential delivery of Affordable Homes is unlikely to meet these needs in full. As such, it is important that the Local Plan policy requirement be met wherever possible, and for further avenues for delivering additional Affordable Housing (such as exception sites) should be explored.

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

1.2.16. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of Affordable Housing, there are other, more direct routes available for its provision. For example, using neighbourhood development orders, identifying exception sites or developing community land trusts.

1.3. Housing Mix: Type and Size

1.3.1. The largest proportion of dwellings within the NA are detached (38.9%), followed by semi-detached at 35.6%, with smaller proportions of terraces (11.4%) and flats (13.2%). Stratfield Mortimer has a larger share of detached properties than West Berkshire as a whole and substantially more than the England average. The proportion of bungalows within Stratfield Mortimer is broadly consistent with England as a whole and slightly higher than West Berkshire.

1.3.2. Whilst there has been some notable growth in the number of detached dwellings and flats this has not substantively changed the dwelling mix in 2021.

1.3.3. Stratfield Mortimer has a larger share of 4+ bedroom properties (33%) compared to both West Berkshire (29.8%) and England (21.1%). The dominance of these larger properties in the stock means that all other property sizes account for a lower share than in West Berkshire and England.

1.3.4. The largest group within the population of Stratfield Mortimer is the 45-64 age group (30.7% of the population in 2021). This group has grown in size over the 10 year period by 20%. Substantive growth also occurred in the older age groups (65+). Those aged 65-84 account for 20% of the population in 2021, increasing by almost one quarter since 2011. The population in the oldest age group (85+) now accounts for 3% of the population in the NA

1.3.5. The younger working age population (25-44) accounts for 19.2% of the population in 2021 but the size of this group has fallen over time. The number and share of children (aged 0-14) has also fallen over the 10 year period.

1.3.6. Despite the clear pattern of ageing in the population over the period 2011-2021, the largest proportion of households within the NA are families with dependent children (27.8%) and the share is slightly higher than in West Berkshire as a whole (27.2%) and England (25.8%).

1.3.7. Whilst the number of families with dependent children remained broadly stable over the period 2011-2021 but there was substantial growth in the number of older households (single and couple households aged 65+).

1.3.8. Taken together, older households (single and couples aged 65+) account for 29% of households in the NA in 2021, higher than the share of families with children.

1.3.9. Population growth in the future can be expected to be driven by the oldest households but it is important to note that this projection is based on trends at the West Berkshire level and this may be moderated to some extent in the NA because of the relatively substantial proportion of family households with children and that it remains a popular location for families with children. However, the ageing of the population is likely to drive population and household change to some extent, even if the growth is not as strong as at the local authority level.

1.3.10. Modelling the projected population change alongside the existing stock of housing suggests that the focus of new development is likely to be on small and modest sized homes, with the majority likely to comprise 3 bedrooms.

1.3.11. However, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

1.4. Specialist Housing for Older People

1.4.1. There are 76 units of specialist accommodation in the NA at present, with 2 schemes (42 homes in total) providing market (leasehold) age restricted or retirement properties. A further 34 units form a single sheltered housing scheme which is available for Social Rent. None of the existing schemes offer onsite care and support.

1.4.2. The 2021 Census indicates that there were 466 individuals aged 75 or over in Stratfield Mortimer. In 2040, the population aged 75+ is expected to account for just over 20% of the population in the NA, an absolute increase of over 300 people between 2021-2040. The population aged 75+ grew by 112 people 2011-2021 and so

1.4.3. The expected growth in the 75+ population in the NA is 316 additional individuals by the end of the plan period can be converted into 169 households Most of these additional households are likely to own their homes and, if taking up specialist housing, will likely want to access market options. However, a substantial minority will need rented accommodation, particularly social/affordable rented housing.

1.4.4. AECOM estimate that the number of households falling into potential need for specialist accommodation over the Neighbourhood Plan period is estimated to be 69. This modelling suggests around half of those households who need specialist accommodation over the plan period in Stratfield Mortimer's are likely to need housing with care with the other half having limited support or care needs. The latter may be met through age restricted or retirement housing, or even in mainstream housing if these are suitably accessible or adaptable to their needs.

1.4.5. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Applying HLIN assumptions to the growth in the older population of Stratfield Mortimer results in a total of 79 specialist dwellings that might be required to the end of the Neighbourhood Plan period. This estimate is of a similar scale to AECOM's modelling in Table 6-3 above, but suggests greater need for accommodation with more limited care/support provided and which may be met through improved standards within the existing housing stock.

1.4.6. The majority of older people live in mainstream housing and will continue to do so all of their lives. Given that there is unlikely to be a large volume of additional specialist supply during the Neighbourhood Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with West Berkshire Council.

1.4.7. The emerging Local Plan policy SP18 provides explicit encouragement for development to accommodate specific groups such as older people. It states that 'all dwellings should be delivered as accessible and adaptable dwellings in accordance with Building Regulations M4(2). Around 10% of the new market housing and a maximum of 5 units of the affordable sector should also meet the wheelchair accessible standard M4(3) wheelchair user dwellings unless evidence clearly demonstrates that this would make the scheme unviable.'

1.4.8. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing, but the emerging Local Plan would provide a strong basis for ensuring new homes are delivered to standards that could support older people with limited care/support needs.

2. Context

2.1. Local context

2.1.1. Stratfield Mortimer is a Neighbourhood Area (NA) located in the unitary authority of West Berkshire in Berkshire. The NA boundary follows the existing boundary of Stratfield Mortimer civil parish and was designated in December 2013.

2.1.2. The first Stratfield Mortimer Neighbourhood Plan was adopted on 22 June 2017 and now forms part of the Development Plan for West Berkshire Council for the purposes of managing development in the parish of Stratfield Mortimer.

2.1.3. A new Neighbourhood Plan is now being prepared, which is envisaged to start in 2026 and extend to 2041, therefore covering a period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2041, but where possible will also provide annualised figures which can be extrapolated to a different term if the Neighbourhood Plan period changes.

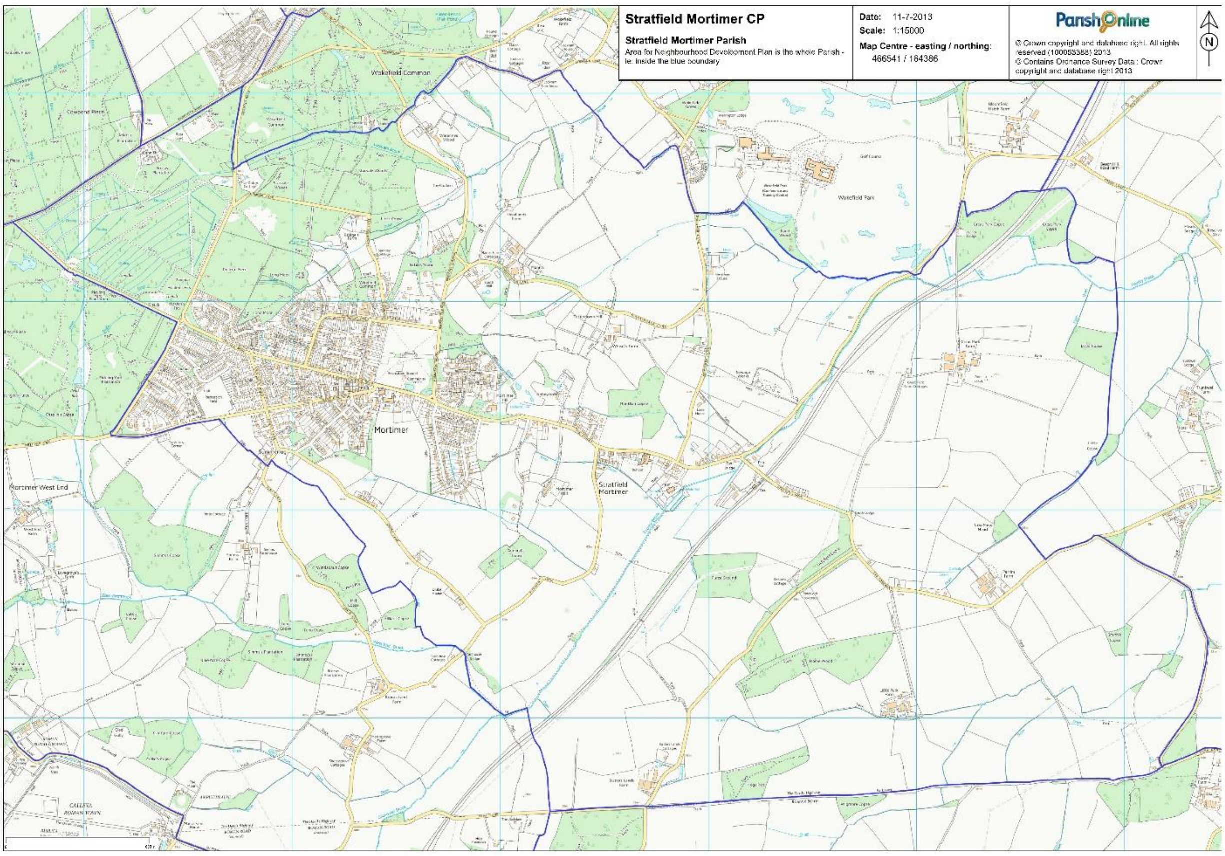
2.1.4. Stratfield Mortimer is a predominantly rural area in the centre of Berkshire. The parish is bisected by the Foudry Brook, which largely runs adjacent to the Reading to Basingstoke trainline, also bisecting the parish. To the eastern side of this divide, the parish is characterised by farmland with a small percentage of woodland. To the west, there are two main settlements in the parish, which are the villages of Stratfield Mortimer and Mortimer Common (also referred to as just ‘Mortimer’). The linear village of Stratfield Mortimer climbs Mortimer Hill which rises westward from the Foudry Brook. The more populated parts of the parish are located at the top of the hill around Mortimer, where a more nucleated settlement pattern can be observed. Here, a small range of services and amenities can be accessed, including a GP surgery, a dentist, a pharmacy, a post office, a hardware shop, a Co-op supermarket, a Morrisons convenience store, a travel agent, food takeaway stores and two churches.

2.1.5. Stratfield Mortimer is served by Mortimer railway station to the east of the two settlements. This station is situated on the Reading to Basingstoke Line operated by Great Western Railway. Reading Buses run the Vitality 2 and 2a routes from Mortimer to Peppard Common via Burghfield, Reading Station, and Sonning Common.

2.2. The NA boundary and key statistics

2.2.1. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Stratfield Mortimer is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Stratfield Mortimer Neighbourhood Area



Source: West Berkshire Council[4].

2.2.2. Census Output Areas do not match the parish boundary perfectly in this case. Some Census data for 2021 is available for parishes but this is limited and cannot provide most of the data required for a HNA. As such, AECOM has used Output Areas which best fit the parish geography in order to gather the data for this HNA. The Output Areas used are outlined in Appendix A. There is a small discrepancy between the geography of the Output Areas and the parish boundary but this is unlikely to affect the results of the analysis in the HNA as it amounts to a difference of 63 people and 49 households (with the actual parish total being higher).

2.2.3. Based on the Output Area data for Stratfield Mortimer, at the time of the 2011 Census the NA was home to 3,807 residents, formed into 1,572 households and occupying 1,644 dwellings. The 2021 Census indicates population growth of around 134 individuals (or 3.5%) since 2011, recording a total of 3,941 residents and 1,655 households and 1,727 dwellings in 2021. The average household size fell between 2011 and 2021.

2.2.4. West Berkshire Council provided completions data which shows that 120 dwellings were completed between 2016/17 and 2023/24. The majority of these (82 dwellings) were completed since 2021 and are therefore not recorded in the Census data. In the

[4] Available at https://www.westberks.gov.uk/media/36279/Map-of-Proposed-Neighbourhood-Area-Stratfield-Mortimer/pdf/Stratfield_Mortimer_-_Map_of_Proposed_Neighbourhood_Development_Area.pdf?m=1565184508913

most recent years (2022-24) new housing completions included 11 Affordable Homes, of which 5 were for Social Rent and 6 for Shared Ownership.

2.2.5. Data for the parish from the Census 2021 records 4,005 residents (63 higher than the Output Area geographies), and 1,704 households (49 households higher than the Output Area geographies). The rest of the data in this report uses the Output Area geography for Stratfield Mortimer but it is useful to keep in mind that the actual population is slightly higher.

2.3. The housing market area context

2.3.1. Whilst this Housing Needs Assessment (HNA) focuses on Stratfield Mortimer NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.

2.3.2. In the case of Stratfield Mortimer, the NA sits within the West Berkshire housing market area which covers Reading, West Berkshire, Wokingham and Bracknell [5] This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Basingstoke and the market area covering Hart District – both of which are relevant in the case of Stratfield Mortimer because of its location in the east of West Berkshire with road and rail links to the south.

2.3.3. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Stratfield Mortimer, are closely linked to other areas. In the case of Stratfield Mortimer, changes in need or demand in settlements nearby, including Reading and also Basingstoke, is likely to impact on the neighbourhood.

2.3.4. In summary, Stratfield Mortimer functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (West Berkshire Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

[5] Berkshire Strategic Housing Market Assessment (2016)

2.4. Planning policy context

2.4.1. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[6] In the case of West Berkshire, the relevant adopted Local Plan consists of:

- West Berkshire Core Strategy (2006 - 2026) Development Plan Document (adopted July 2012);
- Housing Site Allocations Development Plan Document (adopted May 2017); and
- West Berkshire District Local Plan 1991 - 2006 (Saved Policies 2007) (as amended in July 2012 and May 2017).

2.4.2. The three documents include policies to guide development within the former District, including several on the topic of housing.

2.4.3. The adopted Local Plan sets out West Berkshire's planning policies up to 2026 and West Berkshire are currently undergoing a review of the Local Plan to cover the period up to 2039. The Regulation 19 Local Plan was submitted to the Secretary of State on 31 March 2023 with the Examination in Public carried out through 2024.

2.4.4. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the emerging Local Plan:

- Emerging Local Plan Policy SP12 identifies an overall housing target of 513 to 538 homes per year for the district. Existing allocations amounting to 110 homes within Stratfield Mortimer's Made Neighbourhood Plan form part of the emerging Local Plan's housing supply.
- In Policy SP3 Mortimer is designated as a 'Rural Service Centre', which is described as being able to offer development potential appropriate to the character and function of the settlement through:
  - Infill or changes of use within the settlement boundary;
  - Non-strategic sites allocated for housing and economic development through other policies in the LPR or neighbourhood plans; and
  - Rural exceptions affordable housing schemes.

  With regards to the village of Stratfield Mortimer, development outside of areas with settlement boundaries, in other rural hamlets and in isolated groups of development will be restricted to that which is appropriate in a rural area as set out in Policy DM1.
- Policy SP19 states that the following levels of affordable housing provision will be required:

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

a. On development sites of 10 dwellings or more (or 0.5 hectares or more), 30% provision on previously developed land and 40% on greenfield land; or

b. On development sites of between five and nine dwellings, 20% provision.

The suggested tenure mix within Affordable Housing is a tenure split of 25% First Homes and then 70% social rented, and 5% shared ownership. The priority is for social rent, but the Council will consider the potential for affordable rent as an alternative, only when necessitated by site specifics, viability of delivery and identified local need.

- Policy SP18 sets out an expectation that 100% of new homes will be built to Category M4(2) accessibility standards and around 10% of the new market housing and a maximum of 5 units of the affordable sector should also meet the wheelchair accessible standard M4(3) wheelchair user dwellings unless evidence clearly demonstrates that this would make the scheme unviable.

2.5. Quantity of housing to provide

2.5.1. The NPPF 2024 (paragraphs 69 and 70) requires LPAs to provide designated neighbourhood areas with a housing requirement which reflects the overall strategy for the pattern and scale of development and any relevant allocations. Where it is not possible for the LPA to provide a requirement figure for a neighbourhood area the NPPF states that the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body.

2.5.2. West Berkshire Council fulfilled that requirement by providing Stratfield Mortimer with a definitive figure of 110 dwellings to be identified through the existing Neighbourhood Plan for Stratfield Mortimer, as noted in paragraph 2.38 of the Housing Site Allocations Development Plan Document which forms part of West Berkshire's Development Plan. This was realised through Policy RS5 of the existing Neighbourhood Plan which provided for up to 110 homes at the Land to the South of St John's Church of England Infant School.

2.5.3. Stratfield Mortimer's allocations of 110 homes are included as part of the housing supply for the emerging West Berkshire Local Plan 2022-2039. The Plan states that these form part of the supply to 2026 because of the overlap with the time frame of the adopted Local Plan (to 2026).

2.5.4. Completions of new homes in Stratfield Mortimer since 2016 have totalled 120 dwellings, with development at St John's School still being built out. The housing requirement in the current Neighbourhood Plan has therefore been met. As yet, no housing requirement for beyond 2026 (the end date of the adopted Local Plan). West Berkshire Local Plan Review has been submitted to the Secretary of State (March 2023) and is currently being examined by a Planning Inspector following Examination in Public throughout 2024.

3. Objectives and approach

3.1. Objectives

3.1.1. This HNA is structured according to a number of themes or topics that were agreed at the outset of the research with the Stratfield Mortimer Neighbourhood Plan Steering Group. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Affordability and Affordable Housing

3.1.2. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

3.1.3. This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

3.1.4. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Type and Size

3.1.5. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

3.1.6. The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

3.1.7. In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. The evidence in this section provides a starting point for developing and justifying planning policies but does not provide definitive recommendations as it may be appropriate to take into account other factors and site specific circumstances.

Specialist Housing for Older People

3.1.8. It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.

3.1.9. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

3.1.10. This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

3.2. Approach

3.2.1. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- Berkshire Strategic Housing Market 2016 and West Berkshire Housing Needs Assessment Update 2022.

3.2.2. Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, including for parishes, and some datasets which compare numerous variables, has not yet been made available. As such, this HNA draws on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

4.1. Introduction

4.1.1. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

4.1.2. This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

4.1.3. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

4.2. Definitions

4.2.1. This section uses a range of technical terms which are useful to define at the outset:

- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
- **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
- The definition of **Affordable Housing** is set out in the NPPF 2024 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market…' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
- A range of affordable home ownership products are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. This includes discounted market sales housing and other affordable routes to home ownership (Shared Ownership, Rent to Buy etc) which are defined in Annex 2. First Homes are also part of the range of affordable home ownership

products, but the definition of First Homes and policy is covered in a Ministerial Statement (2021) and not defined in Annex 2.[7]

4.3. Current tenure profile

4.3.1. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

4.3.2. Table 4-1 presents data on tenure in Stratfield Mortimer compared with West Berkshire and England from the 2021 Census. The majority of households are home owners in Stratfield Mortimer (71.4%), a rate which is higher than West Berkshire and England as a whole. Whilst the level of social renting is similar in the NA to West Berkshire (both around 14% of households), this is lower than the share in England as a whole. The private rented sector also accounts for a smaller share of households in Stratfield Mortimer (13.5%) than in West Berkshire (17.2%) and England (20.6%). Taken together, the smaller social and private rented sectors limit the availability of more affordable accommodation within the NA. This is a similar feature in other villages and rural areas across the country.

Table 4-1: Tenure (households) in Stratfield Mortimer, 2021

Tenure	Stratfield Mortimer	West Berkshire	England
Owned	71.4%	67.6%	61.3%
Shared ownership	1.0%	1.3%	1.0%
Social rented	14.1%	14.0%	17.1%
Private rented	13.5%	17.2%	20.6%

Sources: Census 2021, AECOM Calculations

4.3.3. It is worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). There has been growth in home ownership in the NA over the 10 year period with around 90 additional households (8.3% growth). The private rented sector has also grown by 9.2% but from a smaller basis so the growth accounts of less than 20 households. The number of households living in the social rented sector has fallen which may be explained by some of these households exercising Right to Buy. Shared ownership accounts for a small proportion of households in the NA (1%) but this is similar to England as a whole. There has little or no change in this sector over the 10 year period.

4.3.4. It is worth noting that 82 new dwellings have been completed since the Census 2021 and these include 11 Affordable Homes (5 for Social Rent and 6 Shared Ownership). Whilst modest in number, these completions have boosted the supply of Shared Ownership properties and reduced the fall in Social Rented homes apparent since 2011.

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

Table 4-2: Tenure change (households) in Stratfield Mortimer, 2011-2021

Tenure	2011	2021	% Change
Owned	1,102	1,193	8.3%
Shared ownership	17	16	-5.9%
Social rented	246	235	-4.5%
Private rented	207	226	9.2%

Sources: Census 2021 and 2011, AECOM Calculations

4.4. Affordability

House prices

4.4.1. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

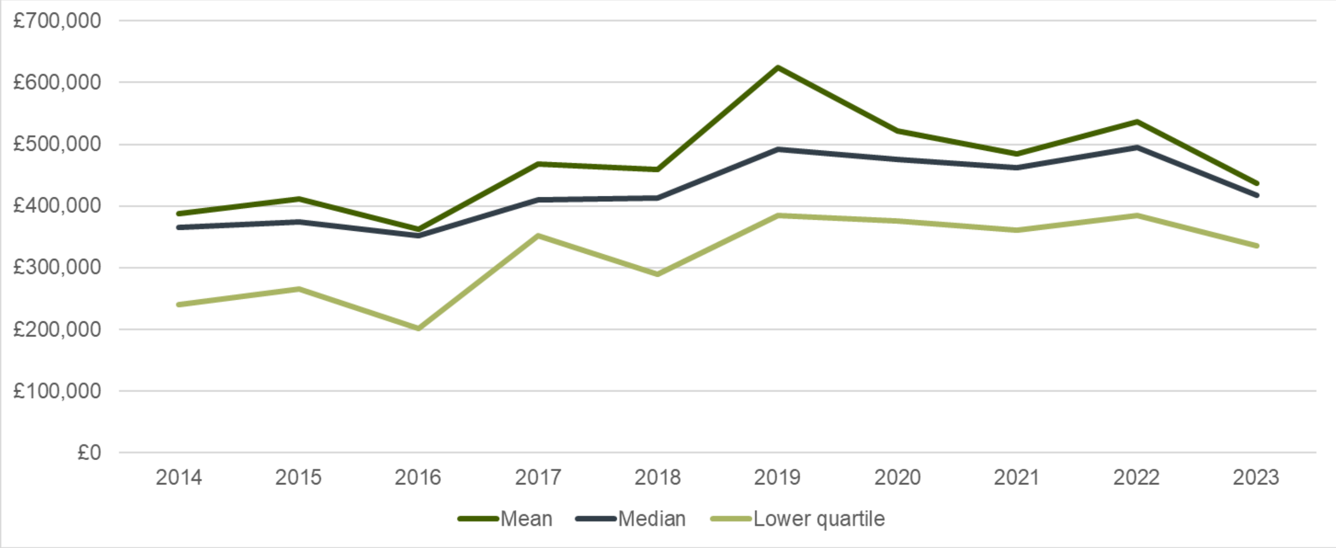
4.4.2. Figure 4-1 examines average and lower quartile house prices in Stratfield Mortimer based on sales price data published by the Land Registry. It shows that mean average prices are £436,380 in Stratfield Mortimer (2023) and have grown by just under 13% over the 10 year period 2014-2023.

4.4.3. Median average prices appear slightly lower at £417,00, increasing by 14% over the same period. Median average prices are similar to West Berkshire as a whole. The median, which is the middle number when you sort the data from smallest to largest whereas the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.

4.4.4. Both measures point to relatively modest house price growth over the last 10 years compared to many areas of the South East. However, price increases are sensitive to the time period chosen and, to some extent, reflect the mix of properties sold in each year. For example, mean and median prices in 2022 appear higher than 2023. Data for full year of transations in 2024 continues to be updated in Land Registry but records to date show further year on year increases in prices in Stratfield Mortimer 2023-2024. Nevertheless, in absolute terms, average prices have increased by around £50,000 over the 10 year period to end 2023.

4.4.5. The lower quartile price is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. Lower quartile prices in 2023 were £336,250 and have increased by 40% over the 10 year period. Lower quartile prices are higher than in West Berkshire as a whole (£295,000), which equates to around +12% difference.

Figure 4-1: House prices by quartile in Stratfield Mortimer, 2014-2023



Source: Land Registry PPD

4.4.6. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that detached prices are the highest priced properties in the NA, followed by semi-detached, terraced and flats. Flats and terraces have experienced more rapid growth in prices over the last 10 years however, which may indicate pressure on smaller properties. However, this data should be approached with caution. The annual average by type is derived from a smaller sample size within each category which can mean that variation in the homes that happen to be sold in a given year (and their characteristics in terms of size, location and condition) can have a large impact on the average.

Table 4-3: Median house prices by type in Stratfield Mortimer, 2014-2023

	Detached	Semi-Detached	Terraced	Flats	All Types*
2014	£493,000	£369,998	£235,000	£143,500	£364,995
2015	£565,000	£350,000	£254,000	£159,975	£374,000
2016	£567,500	£366,500	£305,000	£185,000	£352,500
2017	£626,500	£395,000	£300,000	£185,500	£410,000
2018	£665,000	£402,500	£290,000	£186,750	£412,500
2019	£710,000	£391,500	£401,000	£175,000	£492,500
2020	£620,000	£415,000	£354,500	£307,500	£475,000
2021	£632,500	£447,500	£315,000	£196,500	£462,500
2022	£710,000	£475,000	£370,000	£259,000	£494,705
2023	£525,000	£460,000	£416,250	£275,000	£417,000
Price Growth	6.5%	24.3%	77.1%	91.6%	14.2%

Source: Land Registry Price Paid Data (Downloaded December 2024)

Income

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

4.4.8. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £59,300 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

4.4.9. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. West Berkshire's gross individual lower quartile annual earnings were £23,771 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £47,542.

4.4.10. This data shows that there is a gap between the spending power of average income households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

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

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

4.4.13. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

4.4.14. The analysis in Table 4-4 does not take account of wealth (beyond savings sufficient for a 10% deposit) or existing housing equity which may provide substantial additional financial resources for many existing home owners. Wealth and equity resources are difficult to measure, particularly at the localised level. Furthermore, the affordability analysis in HNAs is primarily focused on access to different housing options for those entering the market for the first time, either to rent or buy, and developing policies that support those who have difficulty accessing market housing. Nevertheless, some households will have additional resources that are not factored into this analysis. This is particularly the case for older owner occupiers since many own their homes outright, and/or have built up substantial equity in their existing homes over time.

4.4.15. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

Table 4-4: Affordability thresholds in Stratfield Mortimer (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £59,300	Affordable on LQ earnings (single earner)? £23,771	Affordable on LQ earnings (2 earners)? £47,542
Market Housing						
Median House Price	£375,300	-	£107,229	No	No	No
Estimated NA New Build Entry-Level House Price	£321,750		£91,929	No	No	No
LQ/Entry-level House Price	£302,625	-	£86,464	No	No	No
LA New Build Median House Price	£438,395	-	£125,256	No	No	No
Average Market Rent (or Rent to Buy)	-	£28,656	£95,520	No	No	No
Entry-level Market Rent (or Rent to Buy)	-	£17,400	£58,000	Yes	No	No
Affordable Home Ownership						
Discounted market sale (-20%)	£257,400	£28,600	£73,543	No	No	No
First Homes (-30%)	£225,225	-	£64,350	No	No	No
First Homes (-40%)	£193,050	-	£55,157	Yes	No	No
First Homes (-50%)	£160,875	-	£45,964	Yes	No	Yes
Shared Ownership (50%)	£160,875	£4,469	£60,860	Marginal	No	No
Shared Ownership (25%)	£80,438	£6,703	£45,326	Yes	No	Yes
Shared Ownership (10%)	£32,175	£8,044	£36,005	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£7,942	£26,473	Yes	No	Yes
Social Rent	-	£6,197	£20,658	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

4.4.17. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price (£417k in 2023) would require an annual income of over £107k, around double the current average household income in the NA.

4.4.18. Average private rents are only affordable to households with high incomes. However, entry level rents are likely to be affordable to households on average incomes in Stratfield Mortimer. However, the availability of private rented properties is limited, particularly those at the cheaper end of the market. The proximity of Reading to the NA is likely to offer some households a more affordable alternative and a greater supply of private rented properties if they are prepared to move within the housing market area.

4.4.19. Households made up of one or two lower quartile earners cannot afford private rents in the NA the given rental thresholds. Affordability can sometimes be improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, albeit with impacts on their ability to afford other living costs. However, in this area, the gap between the income needed to rent affordably and the incomes of lower quartile earners is large and unlikely to be bridged.

Affordable home ownership

4.4.20. There is a relatively large group of households in Stratfield Mortimer who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £58,000 per year (at which point entry-level rents become affordable) and £86,464 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as Discounted Market Sale, First Homes, Shared Ownership and Rent to Buy.

4.4.21. Discounted Market Sale homes are offered at a discount at least 20% on market prices (i.e. new build, entry-level properties). First Homes are offered at a discount of at least 30% on market prices. Local authorities and neighbourhood plan qualifying bodies have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate. This report has estimated the income required to afford discounts of 20-50% to cover the range of discounts likely to be available on these different products. In Stratfield Mortimer, discounts of 40% on market prices would be needed to make them affordable to households on average incomes. Whilst discounts of 20-30% would extend home ownership to some households, these discounts would be insufficient to reach those on average incomes.

4.4.22. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. In some case, higher discount levels could create a financial burden on a scheme which leads developers to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be reduced. The latter might put at risk the delivery of Social/ Affordable rented housing which may be an unintended consequence. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Stratfield Mortimer intend to set higher discount levels (eg on First Homes) than that set at local authority level, further discussions with the LPA are advised.

4.4.23. Shared ownership appears to be more affordable than Discounted Market Sale and First Homes where these products are offered at the lower discount levels of 20-30%. Shared ownership at 50% share may be on the margins of affordability to households with average incomes. Shares of 10% and 25% appear affordable to households on average incomes and may also be affordable to households with two lower quartile earners.[8] However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as Shared Ownership at higher equity shares and Discounted Market Sale) for those who can afford them.

4.4.24. Rent to Buy provides households with the option to rent at a discount (an intermediate rent at least 20% lower than the market rent) in order to save for a deposit to buy their property within a set period. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership quite significantly, including to households on average incomes in Stratfield Mortimer. However, Rent to Buy based on a discount on *average* rents would be insufficient to extend affordability to households on average incomes in this NA as average rents are very high, requiring households to have incomes of around £95k. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of household who may have sufficient incomes to buy, but do not have sufficient savings to afford the required deposit.

4.4.25. These affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:

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

- Discounted Market Sale and First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to discounted market sale products, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than discounted market sale products) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but limited or no savings. It is likely to be more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Social/Affordable Rented housing

4.4.26. Social and Affordable Rented housing performs a critical role in supporting households with the most acute housing needs. These households are likely to be on the lowest incomes and unable to afford market housing without subsidy.

4.4.27. Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Stratfield Mortimer.

4.4.28. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average income households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered with the exception of Social Rented homes which may be affordable on the basis of their earnings, depending on the size of home they need. Many households eligible for Social/Affordable Rented homes will require additional subsidy through Housing Benefit to access housing.

4.4.29. The NPPF 2024 makes explicit reference of the need to set out the proportion of Social Rented homes needed as part of the Affordable Housing to be delivered in a local authority area (paragraph 64, NPPF)[9].

4.4.30. Social Rents are cheaper than Affordable Rents and, in theory, would leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. This is particularly the case for households who are

[9] National Planning Policy Framework

supported by housing benefit and subject to the overall benefit cap since their benefit income is limited by the cap and they may not be able to claim enough to cover the Affordable Rent.

4.4.31. Where households are supported by housing benefit and not affected by benefit caps, the difference in the cost of Affordable and Social rents may be irrelevant as the level of housing benefit they can claim flexes according to the rent. This means that these households may be no better off in Social Rented accommodation because they receive a lower rate of housing benefit to cover their rent.

4.4.32. Households who are not supported by benefits, for example those whose earnings are higher and making them ineligible for benefits, would clearly benefit by the lower Social Rent levels because it would reduce their outgoings. However, these households are less likely to be in acute need on housing waiting lists. Rather, this scenario might apply to those already living in Social Rented housing where their financial circumstances have improved.

4.4.33. On balance, the relative need for Social Rented homes versus Affordable Rented homes is a complex area because of the interaction of benefits, rents and earnings. AECOM suggests that the local authority is best placed to assess what proportion of Affordable Housing should be provided as Social Rent, drawing on their waiting list data and more detailed evidence in LHNAs. If the neighbourhood group wishes to develop localised policy in this area, this will be best achieved through liaison with the LPA (and local housing officers) as well as local registered providers.

4.5. Estimates of the need for Affordable Housing

4.5.1. This section estimates the need for Affordable Housing, which should be considered separately for Social/Affordable rented housing and affordable home ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.

4.5.2. A SHMA was undertaken for Berkshire in 2016 and updated for West Berkshire in 2022 (Updated Housing Needs Evidence July 2022). This study estimates the need for affordable housing in the local authority as a whole based on analysis of the Council’s housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.

4.5.3. The 2022 study identifies the need for 330 additional social/affordable rented homes and 367 affordable home ownership dwellings each year in West Berkshire as a whole.

4.5.4. When the figures are pro-rated to Stratfield Mortimer based on its fair share of the population (2.5% of West Berkshire’s population based on Census population in 2021), this equates to 17 Affordable Homes per annum over the Neighbourhood Plan period. This is comprised of 8 Social/Affordable Rented homes per annum and 9 affordable home ownership homes per annum (both figures rounded to nearest whole number).

4.5.5. It is important to keep in mind that the households identified as needing affordable home ownership are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

4.5.6. The 2022 study provides estimates for sub authority areas within West Berkshire. Stratfield Mortimer falls within the Eastern sub-area which has lower identified needs than the other two sub-areas. However, the 2022 report does not provide population breakdowns for the sub areas and so it is not possible to estimate what share of these needs Stratfield Mortimer might account for.

4.5.7. Pro-rating local authority level estimates of affordable housing need to more rural areas can present problems in practice. The Local Authority level figures are likely to represent higher needs in urban areas where there is a large social housing stock and larger numbers of households living in private rented homes on housing benefit. Both of these factors tend to generate higher needs. Furthermore, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing specifically within Stratfield Mortimer. On balance, the Social Rented sector in the NA is the same proportion as in West Berkshire as a whole and despite the more limited private rented sector, the pro rating of West Berkshire level estimates to Stratfield Mortimer is likely to represent a reasonable estimate of localised need.

4.6. Affordable Housing policies in Neighbourhood Plans

4.6.1. This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides a recommendation and summarises relevant considerations.

Application of Local Plan policies

4.6.2. West Berkshire Council's adopted policy on this subject CS9 and emerging Local Plan policy SP19 requires 30-40% of all new housing to be affordable (30% on previously developed land and 40% on greenfield land). On smaller of 5-9 dwellings, a reduced proportion of 20% is required.

4.6.3. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

4.6.4. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the same policies. The adopted Local Plan requires 70% of Affordable Housing to be provided for rent and 30% as affordable home ownership. The emerging Local Plan, which was developed before changes to the First Homes policy in December 2024, requires 25% to be provided as First Homes, 70% for Social Rent and 5% Shared Ownership. The new NPPF 2024 gives local planning authorities more flexibility to set out the tenure mix in their areas, removing the national requirement to provide 25% of Affordable Housing as First Homes. It is not yet known if or how the LPA will respond to this change.

Affordable Housing at Neighbourhood level

4.6.5. The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Stratfield Mortimer on the basis of identified housing need and a range of other considerations detailed in Appendix D.

4.6.6. The adopted Local Plan guideline mix appears to offer a suitable benchmark for Stratfield Mortimer because it prioritises the delivery of Social/Affordable Rent and also provides scope to deliver affordable home ownership products. The delivery of Affordable Housing overall will be lower than the needs identified in this HNA. In this context, Social/Affordable Rented tenures are likely to be prioritized because of the acute needs these households face.

4.6.7. Affordability analysis in this HNA suggests Shared Ownership and First Homes (where discounts of 40% are provided) offer the more affordable routes to home ownership. Rent to Buy may be a useful product for some households who lack deposits, but would need to be offered at entry level rents to be affordable to households on average or lower incomes. AECOM does not prescribe a specific breakdown between these products as there are a range of other considerations that need to be applied, including the ability of registered housing providers to deliver these homes. However, the evidence suggests that products which offer higher discounts are likely to be more affordable locally and, where possible, these should be prioritized.

4.6.8. The NPPF 2024 makes explicit reference of the need to set out the proportion of Social Rented homes needed as part of the Affordable Housing to be delivered in a local authority area (paragraph 64, NPPF)[10].

[10] National Planning Policy Framework

Table 4-5: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	**30%**	
Discounted Market Sale/ First Homes	0-20%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0-20%	Model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0-10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	**70%**	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

4.6.9. On balance, the relative need for Social Rented homes versus Affordable Rented homes is a complex area because of the interaction of benefits, rents and earnings. AECOM suggests that the local authority is best placed to assess what proportion of Affordable Housing should be provided as Social Rent, drawing on their waiting list data, housing benefit data, more detailed evidence in LHNAs and viability assessments. If the neighbourhood group wishes to develop localized policy in this area, this will be best achieved through liaison with the LPA (and local housing officers) as well as local registered providers.

4.6.10. Where the Stratfield Mortimer Neighbourhood Plan Steering Group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with West Berkshire Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

4.7. Conclusions- Affordability and Affordable Housing

Current tenure profile

4.7.1. The majority of households are home owners in Stratfield Mortimer (71.4%), a rate which is higher than West Berkshire and England as a whole. Whilst the level of social renting is similar in the NA to West Berkshire (both around 14% of households), this is lower than the share in England as a whole. The private rented sector also accounts for a smaller share of households in Stratfield Mortimer (13.5%) than in West Berkshire (17.2%) and England (20.6%).

4.7.2. Taken together, the smaller social and private rented sectors limit the availability of more affordable accommodation within the NA. This is a similar feature in other villages and rural areas across the country.

4.7.3. There has been growth in home ownership in the NA over the 10 year period with around 90 additional households (8.3% growth). The private rented sector has also grown by 9.2% but from a smaller basis so the growth accounts of less than 20 households. The number of households living in the social rented sector has fallen which may be explained by some of these households exercising Right to Buy.

Affordability

4.7.4. Mean average prices are £436,380 in Stratfield Mortimer and have grown by just under 13% over the 10 year period 2014-2023. Median average prices appear slightly lower at £417,00, increasing by 14% over the same period. Nevertheless, in absolute terms, average prices have increased by around £50,000 over the 10 year period. Median average prices are similar to West Berkshire as a whole.

4.7.5. Lower quartile prices in 2023 were £336,250 and have increased by 40% over the 10 year period. Lower quartile prices are higher than in West Berkshire as a whole (£295,000), around 12% higher.

4.7.6. Local households on average incomes are unable to access entry-level homes unless they have the advantage of a very large deposit. The median house price (£417k in 2023) would require an annual income of over £107k, around double the current average household income in the NA.

4.7.7. Average private rents are only affordable to households with high incomes. However, entry level rents are likely to be affordable to households on average incomes in Stratfield Mortimer. However, the availability of private rented properties is limited, particularly those at the cheaper end of the market. Affordable home ownership

4.7.8. There is a relatively large group of households in Stratfield Mortimer who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £58,000 per year (at which point entry-level rents become affordable) and £86,464 (at which point entry-level market sale homes become affordable). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as Discounted Market Sale, First Homes, Shared Ownership and Rent to Buy.

4.7.9. In Stratfield Mortimer, discounts of 40% on market prices would be needed to make them affordable to households on average incomes. Whilst discounts of 20-30% would extend home ownership to some households, these discounts would be insufficient to reach those on average incomes.

4.7.10. Shared ownership at 50% share may be on the margins of affordability to households with average incomes. Shares of 10% and 25% appear affordable to households on average incomes and may also be affordable to households with two lower quartile earners.[11]

4.7.11. Social and Affordable Rented housing performs a critical role in supporting households with the most acute housing needs. These households are likely to be on the lowest incomes and unable to afford market housing without subsidy.

The need for Affordable Housing

4.7.12. The Updated Housing Need Evidence 2022 study identifies the need for 330 additional social/affordable rented homes and 367 affordable home ownership dwellings each year in West Berkshire as a whole.

4.7.13. When the figures are pro-rated to Stratfield Mortimer based on its fair share of the population (2.5 % of West Berkshire's population based on Census population in 2021), this equates to 17 Affordable Homes per annum over the Neighbourhood Plan period. This is comprised of 8 Social/Affordable Rented homes and 9 affordable home ownership homes (both figures rounded to nearest whole number).

Affordable Housing policy

4.7.14. West Berkshire Council's adopted policy on this subject CS9 and emerging Local Plan policy SP19 requires 30-40% of all new housing to be affordable (30% on previously developed land and 40% on greenfield land). On smaller of 5-9 dwellings, a reduced proportion of 20% is required.

4.7.15. Table 4.6 summarises Stratfield Mortimer's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Neighbourhood Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

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

Table 4-7: Estimated delivery of Affordable Housing in Stratfield Mortimer

	Step in Estimation	Expected delivery
A	Housing requirement (existing allocations)	110
B	Affordable housing quota (%) in LPA's Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	44
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	31
F	Affordable home ownership % (e.g. First Homes, Shared Ownership Rent to Buy)	30%
G	Affordable home ownership number (C x F)	13

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

4.7.16. Compared to the estimates of Affordable Housing need in Stratfield (17 homes per annum or 255 in total over the period ending 2041), the potential delivery of Affordable Homes is will not meet needs in full. As such, it is important that the Local Plan policy requirement be met wherever possible, and for further avenues for delivering additional Affordable Housing (such as exception sites) should be explored.

4.7.17. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of Affordable Housing, there are other, more direct routes available for its provision. For example, using neighbourhood development orders, identifying exception sites or developing community land trusts.

5. Type and Size

5.1. Introduction

5.1.1. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

5.1.2. This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.

5.1.3. This chapter has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe characteristics of the local **population** that are relevant to housing need; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

5.1.4. It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.

5.1.5. The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

- **Dwelling type**: whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size**: how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.
- **Household**: a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are

vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

- **Household composition**: the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage**: the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix**: the range of home sizes and types in an area.
- **Over- and under-occupancy**: the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

5.2. The current housing mix

5.2.1. This section establishes the current housing mix in Stratfield Mortimer, highlighting recent changes to it and comparing the mix to West Berkshire and England.

Dwelling type

5.2.2. Table 5-1 below shows that the largest proportion of dwellings within the NA are detached (38.9%), followed by semi-detached at 35.6%, with smaller proprotions of terraces (11.4%) and flats (13.2%). Stratfield Mortimer has a larger share of detached properties than West Berkshire as a whole and substantially more than the England average. Conversely, the NA has a smaller share of terraces and flats than both West Berkshire and England.

5.2.3. The Census does not capture bungalows as a separate category but this data is available from the VOA. However, the statistical areas used by the VOA do not match the NA boundary. The closest area to the NA boundary (see Annex A) excludes part of Mortimer Common. Within this area (excluding a small part of Mortimer Common), the VOA records 9.9% of dwellings as bungalows, compared to 8.2% in LPA and 9.1% England. The proportion of bungalows within Stratfield Mortimer is therefore broadly consistent with England as a whole and slightly higher than West Berkshire.

Table 5-1: Accommodation type, Stratfield Mortimer and comparator geographies, 2021

Type	Stratfield Mortimer	West Berkshire	England
Detached	38.9%	33.1%	22.9%
Semi-detached	35.6%	32.5%	31.5%
Terrace	11.4%	17.1%	23.0%
Flat	13.2%	15.7%	22.2%

Source: Census 2021, AECOM Calculations

5.2.4. Table 5-2 considers change between the 2011 and 2021. Whilst there has been some notable growth in the number of detached dwellings and flats this has not substantively changed the dwelling mix in 2021. Detached dwellings appear to account for a slightly larger share of the stock in 2021 compared to 2011. Similarly, flats now account for 13.2% of the stock, compared to 11.8% in 2011.

Table 5-2: Accommodation type, Stratfield Mortimer, 2011-2021

Type	2011	%	2021	%
Detached	617	37.5%	650	38.9%
Semi-detached	611	37.2%	595	35.6%
Terrace	202	12.3%	191	11.4%
Flat	194	11.8%	220	13.2%
Total	1,644		1,671	

Source: Census 2021 and 2011, AECOM Calculations

Dwelling size

5.2.5. Table 5-3 below presents the current housing mix in terms of size compared to the wider local authority and country. It shows that Stratfield Mortimer has a larger share of 4+ bedroom properties (33%) compared to both West Berkshire (29.8%) and England (21.1%). The dominance of these larger properties in the stock means that all other property sizes account for a lower share than in West Berkshire and England.

Table 5-3: Dwelling size (bedrooms), Stratfield Mortimer and comparator geographies, 2021

Number of bedrooms	Stratfield Mortimer	West Berkshire	England
1	9.5%	9.8%	11.6%
2	20.6%	22.8%	27.3%
3	36.8%	37.5%	40.0%
4+	33.2%	29.8%	21.1%

Source: Census 2021, AECOM Calculations

5.2.6. Table 5-4 shows that the number and share of 4+ bedroom properties has increased over the 10 year period 2011-2021, reinforcing the dominance of larger homes within the NA. However, the number and share of smallest (1 bedroom) properties also increased over the 10 year period. There appears to have been limited change in the number of 2-3 bedroom properties.

Table 5-4: Dwelling size (bedrooms), Stratfield Mortimer, 2011-2021

Number of bedrooms	2011	%	2021	%
1	136	8.7%	158	9.5%
2	345	21.9%	344	20.6%
3	606	38.5%	615	36.8%
4+	485	30.9%	554	33.2%
Total	1,572		1,671	

Source: ONS 2021 and 2011, AECOM Calculations

5.3. Population characteristics

5.3.1. This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

5.3.2. Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. The largest group within the population of Stratfield Mortimer is the 45-64 age group (30.7% of the population in 2021). This group has grown in size over the 10 year period by 20%. Substantive growth also occurred in the older age groups (65+). Those aged 65-84 account for 20% of the population in 2021, increasing by almost one quarter since 2011. The population in the oldest age group (85+) now accounts for 3% of the population in the NA and also grew in size by over 21% between 2011-2021.

5.3.3. The younger working age population (25-44) accounts for 19.2% of the population in 2021 but the size of this group has fallen over time. The number and share of children (aged 0-14) has also fallen over the 10 year period. Whilst there appears to have been some growth in the number of young people (age 16-24) between 2011-2021, this may be explained by some students returning to the family home at the time the Census was undertaken due to the Covid pandemic.

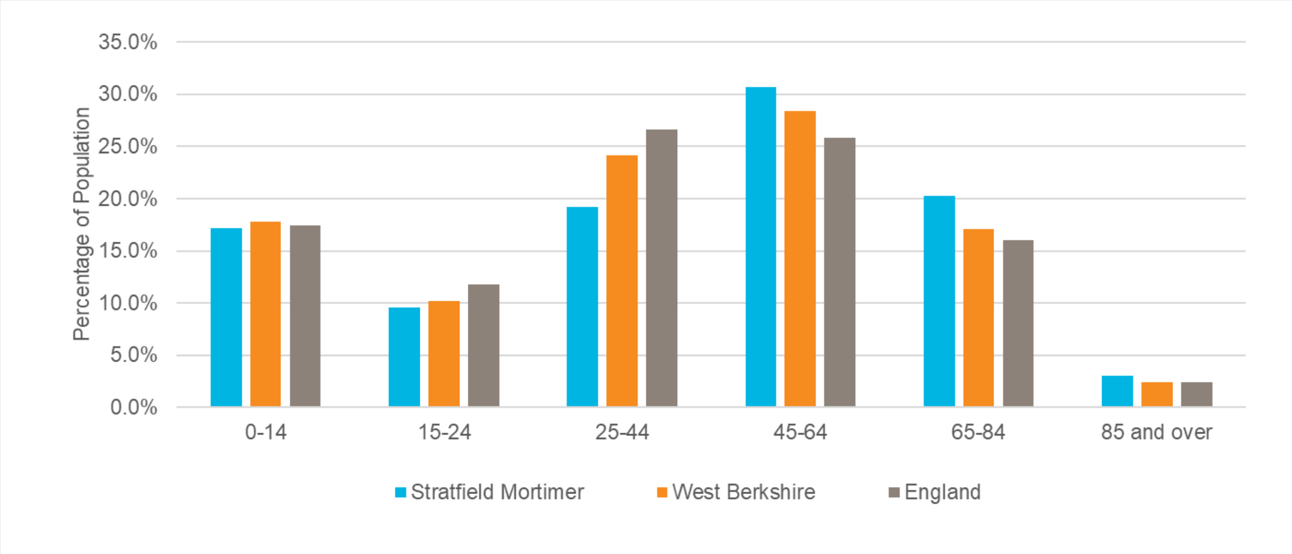
Table 5-5: Age structure of Stratfield Mortimer, 2011 and 2021

Age group	2011 (Census)		2021 (Census)		Change
0-14	778	20.4%	677	17.2%	-13.0%
15-24	331	8.7%	376	9.5%	13.6%
25-44	951	25.0%	758	19.2%	-20.3%
45-64	1,008	26.5%	1,211	30.7%	20.1%
65-84	640	16.8%	799	20.3%	24.8%
85 and over	99	2.6%	120	3.0%	21.2%
Total	3,807	100.0%	3,941	100.0%	3.5%

Source: ONS 2011, ONS 2021, AECOM Calculations

5.3.4. For context, it is useful to look at the NA population structure alongside that of West Berkshire and country. Figure 5-1 (using 2021 Census data) shows that Stratfield Mortimer's population is skewed towards the older age groups when compared to these wider areas. Conversely, its share of people in the younger age groups is smaller than West Berkshire and England, albeit the share of young children (0-14) is not substantially different. Whilst the number of children in the population has fallen over time, they remain a substantial proportion of residents and a similar share as in England as a whole.

Figure 5-1: Age structure in Stratfield Mortimer, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

5.3.5. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that despite the clear pattern of ageing in the population over the period 2011-2021, the largest proportion of households within the NA are families with dependent children (27.8%) and the share is slightly higher than in West Berkshire as a whole (27.2%) and England (25.8%).

5.3.6. Taken together, older households (single and couples aged 65+) account for 29% of households in the NA in 2021, higher than the share of families with children.

5.3.7. Whilst the number of families with dependent children remained broadly stable over the period 2011-2021 but there was substantial growth in the number of older households (single and couple households aged 65+).

5.3.8. Households with non-dependent children refers to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. These households accounted for 9.4% of the population in Stratfield Mortimer in 2021, compared to 10.4% in West Berkshire and 10.5% in England. A large share of these households or marked increase in this category can indicate worsening affordability of entry-level homes, where young people are financially unable to move out and form their own households. However, there does not appear to be a larger than average share of these households in the NA. This does not imply that local properties are affordable to newly forming households however. It is likely that the proximity of Reading, with relatively affordable options for young people to rent in the private rented sector, or to buy their first home, offers an alternative for many newly forming households.

Table 5-6: Household composition, Stratfield Mortimer, 2021

Household composition		NA	LA	England
One person household	**Total**	27.9%	27.0%	30.1%
	Aged 66 and over	14.5%	12.5%	12.8%
	Other	13.3%	14.5%	17.3%
One family only	**Total**	68.2%	67.9%	63.1%
	All aged 66 and over	14.5%	10.8%	9.2%
	With no children	16.4%	19.1%	16.8%
	With dependent children	27.8%	27.2%	25.8%
	With non-dependent children[12]	9.4%	10.4%	10.5%
Other household types	**Total**	4.0%	5.1%	6.9%

Source: ONS 2021, AECOM Calculations

5.3.9. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

5.3.10. The majority of households have 1 or more bedroom more than their household size would suggest they need. This is particularly true amongst older households. However, there is a small proportion of households who are overcrowded and these are all families with children or with grown up children living at home. Whilst these overcrowded families are small in number, they provide an indicator of acute housing needs within the NA.

Table 5-7: Occupancy rating by age in Stratfield Mortimer, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	80.4%	16.2%	3.4%	0.0%
Single person 66+	49.6%	29.6%	20.8%	0.0%
Family under 66 - no children	69.9%	22.1%	8.0%	0.0%
Family under 66 - dependent children	33.4%	34.8%	28.0%	3.8%
Family under 66 - adult children	44.3%	36.7%	16.5%	2.5%
Single person under 66	36.2%	31.2%	32.6%	0.0%
All households	49.3%	29.0%	19.9%	1.8%

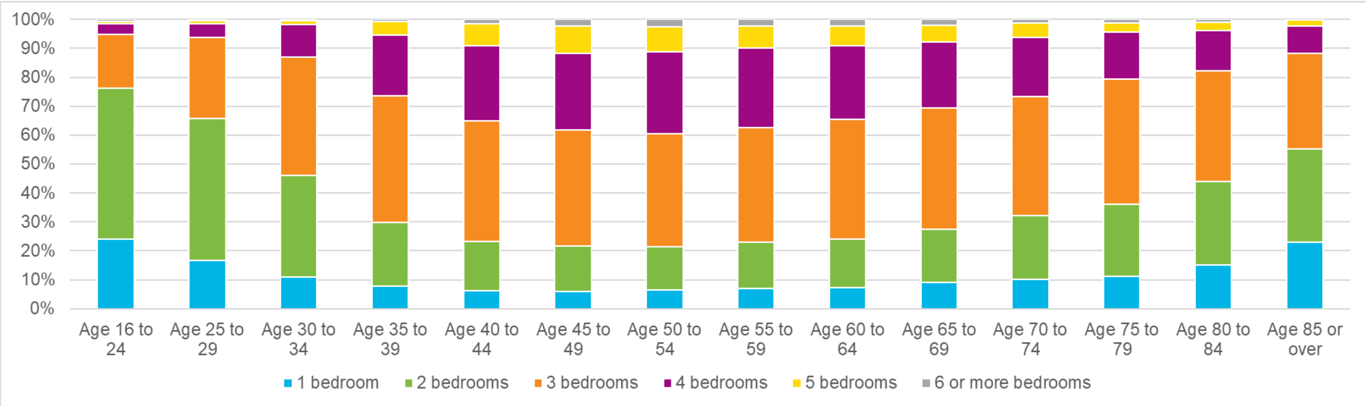
Source: ONS 2021, AECOM Calculations

5.3.11. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for West Berkshire in 2011 (because this data is not available at smaller

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

scales or updated for 2021). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: Census 2011, AECOM Calculations

5.4. Future population and size needs

5.4.1. This section projects the future age profile of the population in Stratfield Mortimer at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

5.4.2. The result of applying Local Authority level household projections to the age profile of Stratfield Mortimer households is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with 89% growth in the number of households aged 65 and over from 2011 to the end of the Neighbourhood Plan period (2041). It is important to note that this projection is based on trends at the West Berkshire level and this may be moderated to some extent in the NA because of the relatively substantial proportion of family households with children and that it remains a popular location for families with children. However, the ageing of the population is likely to drive population and household change to some extent, even if the growth is not as strong as suggested in Table 5-8.

Table 5-8: Projected age of households, Stratfield Mortimer, 2011 - 2041

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	17	153	642	271	489
2041	15	134	509	278	922
% change 2011-2041	-13%	-12%	-21%	3%	89%

Source: AECOM Calculations

5.4.3. The demographic change discussed above can be translated into an ‘ideal’ mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2 (rainbow bar graph)) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

5.4.4. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

5.4.5. The result of this exercise is presented in Table 5-9. It suggests that the focus of new development is likely to be on small and modest sized homes, with the majority likely to comprise 3 bedrooms.

Table 5-9: Suggested dwelling size mix to 2041, Stratfield Mortimer

Number of bedrooms	Current mix (2021)	Suggested mix (2041)	Balance of new housing to reach suggested mix	Indicative Range for Policy
1	9.5%	10.3%	14.5%	10-15%
2	20.6%	22.6%	32.1%	25-35%
3	36.8%	39.9%	53.4%	45-55%
4+	33.2%	27.2%	0.0%	0-10%

Source: AECOM Calculations

5.4.6. The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The Updated Housing Needs Evidence 2022 for West Berkshire as a whole suggests the following mix of new homes, broken down by market, affordable ownership and affordable rented:

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

Source: Page 6, Executive Summary, West Berkshire Updated Housing Needs Evidence 2022

- This is broadly consistent with AECOM's modelling (which is inclusive of all tenures) but suggests more of a focus on 2 bedroom dwellings than 3 bedroom in the market sector. Stratfield Mortimer's share of family households with children is larger than in West Berkshire as a whole so it is likely that there is continued need for a larger share of 3 bedroom homes. Overall, the results of both modelling exercises are consistent.

- The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of 1 bedroom homes are suitable given the area's character and current density.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Neighbourhood Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if they existing stock of larger homes is sufficiently affordable.

Tenure

5.4.7. The housing mix discussed immediately above applies to all housing in the NA over the Neighbourhood Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

5.4.8. Generally speaking, the size mix estimated as needed within affordable tenures, particularly Affordable and Social rent, is smaller than the size mix of market housing. This is because under local authority allocation policies, which reflect the shortage of Affordable Housing overall, households are only eligible for the minimum sized home that meets their needs. This means that single people and couples will generally only be entitled to one bedroom properties. Families with two young children are only likely to be eligible for two bedroom properties (with the expectation that children share rooms until a certain age). In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

5.4.9. There are three key sources of information for thinking through the size needs of different categories. These are:

- The West Berkshire Updated Housing Needs Evidence 2022 indicates that the need for Social/Affordable Rented homes is split broadly evenly between 1 bedroom, 2 bedroom and 3+ bedroom properties. The likely need for affordable home ownership properties is slightly more focused on 2 bedroom homes (45-50%).

- The waiting list for affordable rented housing, kept by West Berkshire Council. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs.
- Any relevant household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population.

5.4.10. To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

5.4.11. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than ‘need’ in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

5.4.12. The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

5.4.13. The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Stratfield Mortimer, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment.

5.4.14. In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Stratfield Mortimer Neighbourhood Plan Steering Group and community to consider.

5.5. Conclusions- Type and Size

The current housing mix

5.5.1. The largest proportion of dwellings within the NA are detached (38.9%), followed by semi-detached at 35.6%, with smaller proprotions of terraces (11.4%) and flats (13.2%). Stratfield Mortimer has a larger share of detached properties than West Berkshire as a whole and substantially more than the England average. The proportion of bungalows within Stratfield Mortimer is broadly consistent with England as a whole and slightly higher than West Berkshire.

5.5.2. Whilst there has been some notable growth in the number of detached dwellings and flats this has not substantively changed the dwelling mix in 2021.

5.5.3. Stratfield Mortimer has a larger share of 4+ bedroom properties (33%) compared to both West Berkshire (29.8%) and England (21.1%). The dominance of these larger properties in the stock means that all other property sizes account for a lower share than in West Berkshire and England.

Population characteristics

5.5.4. The largest group within the population of Stratfield Mortimer is the 45-64 age group (30.7% of the population in 2021). This group has grown in size over the 10 year period by 20%. Substantive growth also occurred in the older age groups (65+). Those aged 65-84 account for 20% of the population in 2021, increasing by almost one quarter since 2011. The population in the oldest age group (85+) now accounts for 3% of the population in the NA

5.5.5. The younger working age population (25-44) accounts for 19.2% of the population in 2021 but the size of this group has fallen over time. The number and share of children (aged 0-14) has also fallen over the 10 year period.

5.5.6. Despite the clear pattern of ageing in the population over the period 2011-2021, the largest proportion of households within the NA are families with dependent children (27.8%) and the share is slightly higher than in West Berkshire as a whole (27.2%) and England (25.8%).

5.5.7. Whilst the number of families with dependent children remained broadly stable over the period 2011-2021 but there was substantial growth in the number of older households (single and couple households aged 65+).

5.5.8. Taken together, older households (single and couples aged 65+) account for 29% of households in the NA in 2021, higher than the share of families with children.

Future population and size needs

5.5.9. Population growth in the future can be expected to be driven by the oldest households but it is important to note that this projection is based on trends at the West Berkshire level and this may be moderated to some extent in the NA because of the relatively substantial proportion of family households with children and that it remains a popular location for families with children. However, the ageing of the population is likely to drive population and household change to some extent, even if the growth is not as strong as at the local authority level.

5.5.10. Modelling the projected population change alongside the existing stock of housing suggests that the focus of new development is likely to be on small and modest sized homes, with the majority likely to comprise 3 bedrooms.

5.5.11. However, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Specialist Housing for Older People

6.1. Introduction

6.1.1. It is relatively common for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Stratfield Mortimer. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

6.1.2. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

6.1.3. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.[13]

6.1.4. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).[14] Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

6.1.5. The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

[13] See Paragraph: 017 Reference ID: 2a-017-20190220, at https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments)
[14] For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing[15]:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings. These standards can be applied to mainstream housing as well as in specialist accommodation such as sheltered housing and extra care.
- **Category M4(3):** dwellings which are capable of adaptation for wheelchair users, or are already built for use of wheelchair throughout. These standards can be applied to mainstream housing as well as in specialist accommodation such as sheltered housing and extra care.

6.2. Specialist housing for older people

6.2.1. There is a total of 76 units of specialist accommodation in the NA at present, with 2 schemes (42 homes in total) providing market (leasehold) age restricted or retirement properties. A further 34 units form a single sheltered housing scheme which is available for Social Rent. None of the existing schemes offer onsite care and support. Details are provided in Appendix E.

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

6.2.2. The 2021 Census indicates that at this time there were 466 individuals aged 75 or over in Stratfield Mortimer. This suggests that current provision is in the region of 163 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[16], so provision in the NA appears to be higher than the national average.

Demographic characteristics

6.2.3. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Stratfield Mortimer is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for West Berkshire. The results are set out in Table 6-1. In 2040, the population aged 75+ is expected to account for just over 20% of the population in the NA, an absolute increase of over 300 people between 2021-2040.

6.2.4. The population aged 75+ grew by 112 people 2011-2021 and so growth of the scale projected appears broadly consistent with past trends, albeit slightly slower. However, these projections are driven by trends in West Berkshire as a whole and may be somewhat moderated in Stratfield Mortimer because of the larger share of households with children. Nevertheless, the older population is expected to grow, due to the ageing of the population, and this growth will drive need and demand for some specialist accommodation over the plan period.

6.2.5. A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Neighbourhood Plan period is the key output of this calculation.

Table 6-1: Modelled projection of older population in Stratfield Mortimer by end of Plan period

Age group	2021		2040	
	Stratfield Mortimer	West Berkshire	Stratfield Mortimer	West Berkshire
All ages	3,941	161,447	3,842	157,390
75+	466	14,459	782	24,278
%	11.8%	9.0%	20.4%	15.4%

Source: ONS SNPP 2020, AECOM Calculations

6.2.6. The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as

[16] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now MHCLG) and the Care Services Improvement Partnership

long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

6.2.7. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Neighbourhood Plan period to 2040 (as they are aged 65-85 in 2021). The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the vast majority of these older households living in homes they own. However, a substantial proportion (20.7%) live in the rented sector and are therefore likely to need more affordable forms of specialist accommodation.

6.2.8. The expected growth in the 75+ population in the NA is 316 additional individuals by the end of the plan period (2021-2040). This can be converted into 169 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures these additional older households in Stratfield Mortimer are likely to need in 2040, and is shown in the bottom row of Table 6-2. Most of these additional households are likely to own their homes and, if taking up specialist housing, will likely want to access market options. However, a substantial minority will need rented accommodation, particularly social/affordable rented housing.

Table 6-2: Tenure of households aged 55-75 in West Berkshire (2011) and projected aged 75+ in Stratfield Mortimer (2041)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
West Berkshire (2011 mix)	79.3%	54.4%	24.9%	20.7%	13.0%	6.1%	1.5%
Stratfield Mortimer (2041)	134	92	42	35	22	10	3

Source: Census 2011

6.2.9. It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-2 in Appendix E presents this data for Stratfield Mortimer from the 2011 Census.

Future needs for specialist accommodation and adaptations

6.2.10. Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Neighbourhood Plan period is calculated to be 69. As this figure relates to housing (and not care homes) it is not additional to the overall level of housing needed in an area.

6.2.11. AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

6.2.12. This modelling suggests around half of those households who need specialist accommodation over the plan period in Stratfield Mortimer's are likely to need housing with care with the other half having limited support or care needs. The latter may be met through age restricted or retirement housing, or even in mainstream housing if these are suitably accessible or adaptable to their needs.

Table 6-3: AECOM estimate of specialist housing for older people need in Stratfield Mortimer by the end of the Neighbourhood Plan period

Type	Affordable	Market	Total
Housing with care	13	22	**34**
Adaptations, sheltered, or retirement living	7	28	**35**
Total	**20**	**49**	**69**

Source: Census 2011, AECOM Calculations

6.2.13. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table E-2 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Stratfield Mortimer results in a total of 79 specialist dwellings that might be required to the end of the Neighbourhood Plan period. This is set out in Table 6-4. This estimate is of a similar scale to AECOM's modelling in Table 6-3 above, but suggests greater need for accommodation with more limited care/support provided and which may be met through improved standards within the existing housing stock.

Table 6-4: HLIN estimate of specialist housing for older people need in Stratfield Mortimer by the end of the Neighbourhood Plan period

Type	Affordable	Market	Total
Housing with care	9	13	**22**
Adaptations, sheltered, or retirement living	19	38	**57**
Total	**29**	**51**	**79**

Source: Housing LIN, AECOM calculations

Further considerations

6.2.14. The above estimates suggest that potential need for specialist accommodation could be in the range of 69-79 units over the Neighbourhood Plan period. This figure fits within the overall need for homes in Stratfield. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing delivery expectation in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

6.2.15. In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.

6.2.16. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

6.2.17. It is considered that Stratfield Mortimer is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Stratfield Mortimer in other suitable locations near to but outside the Plan area boundaries).

6.2.18. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

6.3. Care homes

6.3.1. Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.

6.3.2. However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.

6.3.3. Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.

6.3.4. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. For nursing care beds this is an extra 45 care beds per 1,000 people aged 75+. Based on these rates, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2040 there would be a need for 21 (rounded) residential care beds and 14 (rounded) nursing care beds in the NA to meet the needs of the growth in the older population. There are no care homes within the parish. The nearest is located at Burghfield Common.

6.3.5. It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

6.4. The Role of Mainstream Housing

6.4.1. The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 84% of the Stratfield Mortimer population aged 75 and over is likely to live in the mainstream housing stock[17].

6.4.2. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation in suitable to their

[17] 466 over 75s in 2021, of which a minimum of 76 are accommodated in specialist housing, leaving 390 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75 and some specialist accommodation properties may house couples rather than single households.

needs and whether adequate care or support is provided within the home when they need.

6.4.3. However, given that there is unlikely to be a large volume of additional specialist supply during the Neighbourhood Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with West Berkshire Council.

6.4.4. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings[18], although changes to Building Regulations have not yet been made.

6.4.5. The emerging Local Plan policy SP18 provides explicit encouragement for development to accommodate specific groups such as older people. It states that 'all dwellings should be delivered as accessible and adaptable dwellings in accordance with Building Regulations M4(2). Around 10% of the new market housing and a maximum of 5 units of the affordable sector should also meet the wheelchair accessible standard M4(3) wheelchair user dwellings unless evidence clearly demonstrates that this would make the scheme unviable.'

6.4.6. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing but the emerging Local Plan would provide a strong basis for ensuring new homes are delivered to standards that could support older people with limited care/support needs.

6.4.7. The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available. The emerging Local Plan sets an expectation that up to 5 new Affordable Homes will be built to these standards and 10% of market housing.

6.4.8. Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). As a crude estimate, these percentages are applied to the expected level of housing delivery for Stratfield Mortimer under the existing plan (110 homes) to suggest the number that might be appropriately delivered as wheelchair accessible or adaptable. This would imply a potential need for 1-3 wheelchair accessible dwellings over the Neighbourhood Plan period. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

[18] See Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK (www.gov.uk)

Table 6-5: Wheelchair use Nationally Applied to Stratfield Mortimer

	Percentage in England	% applied to NA housing requirement figure (110 to end of plan period)
Households using wheelchair all the time	0.6%	1
Households using wheelchair either indoors or outdoors	3.0%	3

Source: Survey of English Housing 2018/19

6.5. Conclusions- Specialist Housing for Older People

6.5.1. There are 76 units of specialist accommodation in the NA at present according to the Elderly Accommodation Counsel, with 2 schemes (42 homes in total) providing market (leasehold) age restricted or retirement properties.[19] A further 34 units form a single sheltered housing scheme which is available for Social Rent (Windmill Court). None of the existing schemes offer onsite care and support.

6.5.2. However, Windmill Court (Social Rented scheme) is being redeveloped to provide 13 homes for Social Rent and 11 Shared Ownership properties, reducing the total to 24 homes. It will remain an age restricted scheme.

6.5.3. A planning application is currently in the pipeline for 24 age restricted homes on ‘Reserved Land’ within the NA. The tenure mix is unknown and completion date uncertain if this scheme is approved. If approved, this would take the supply of specialist housing to 90 units.

6.5.4. The 2021 Census indicates that there were 466 individuals aged 75 or over in Stratfield Mortimer. In 2040, the population aged 75+ is expected to account for just over 20% of the population in the NA, an absolute increase of over 300 people between 2021-2040. The population aged 75+ grew by 112 people 2011-2021, a rate which is slower than expected by future projections but broadly of the same scale.

6.5.5. The expected growth in the 75+ population in the NA is 316 additional individuals by the end of the plan period can be converted into 169 households Most of these additional households are likely to own their homes and, if taking up specialist housing, will likely want to access market options. However, a substantial minority will need rented accommodation, particularly social/affordable rented housing.

6.5.6. AECOM estimate that the number of households falling into potential need for specialist accommodation over the Neighbourhood Plan period is estimated to be 69. This modelling suggests around half of those households who need specialist accommodation over the plan period in Stratfield Mortimer’s are likely to need housing with care with the other half having limited support or care needs. The latter may be met through age restricted or retirement housing, or even in mainstream housing if these are suitably accessible or adaptable to their needs.

[19] Consultation with Stratfield Mortimer Neighbourhood Plan Steering Group suggest these schemes are affordable rather than leasehold but in the EAC data they are recorded as leasehold.

6.5.7. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Applying HLIN assumptions to the growth in the older population of Stratfield Mortimer results in a total of 79 specialist dwellings that might be required to the end of the Neighbourhood Plan period. This estimate is of a similar scale to AECOM's modelling in Table 6-3 above, but suggests greater need for accommodation with more limited care/support provided and which may be met through improved standards within the existing housing stock.

6.5.8. The majority of older people live in mainstream housing and will continue to do so all of their lives. Given that there is unlikely to be a large volume of additional specialist supply during the Neighbourhood Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with West Berkshire Council.

6.5.9. The emerging Local Plan policy SP18 provides explicit encouragement for development to accommodate specific groups such as older people. It states that 'all dwellings should be delivered as accessible and adaptable dwellings in accordance with Building Regulations M4(2). Around 10% of the new market housing and a maximum of 5 units of the affordable sector should also meet the wheelchair accessible standard M4(3) wheelchair user dwellings unless evidence clearly demonstrates that this would make the scheme unviable.'

6.5.10. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing, but the emerging Local Plan would provide a strong basis for ensuring new homes are delivered to standards that could support older people with limited care/support needs.

7. Next Steps

7.1. Recommendations for next steps

7.1.1. This Neighbourhood Plan housing needs assessment aims to provide Stratfield Mortimer Neighbourhood Plan Steering Group with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with West Berkshire Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

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

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

7.1.3. Bearing this in mind, it is recommended that the Stratfield Mortimer Neighbourhood Plan Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, West Berkshire Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

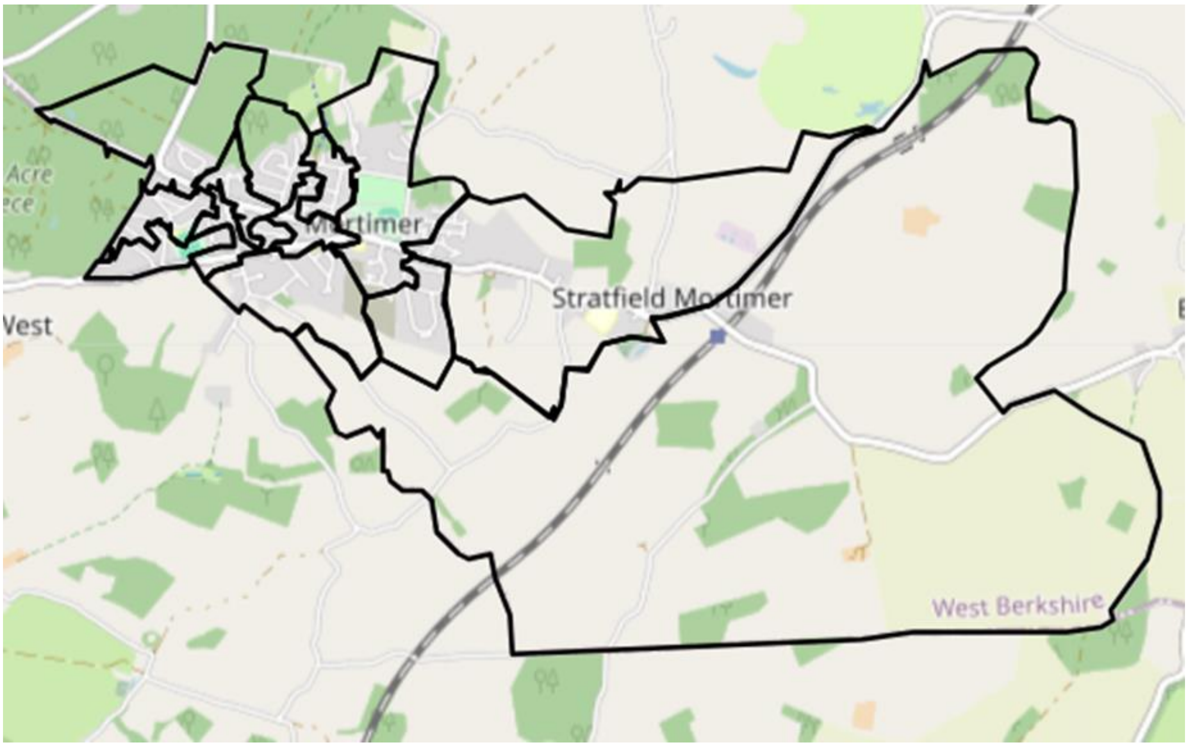
7.1.4. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Assessment geography

A.1 For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The NA and parish boundary does not match up to any of the available statistical geographies completely. However, the best fit (shown in the map below) equates to the following combination of OAs:

- E00082377
- E00082375
- E00082384
- E00082379
- E00082376
- E00082381
- E00082373
- E00082374
- E00082380
- E00082378
- E00082382
- E00082383
- E00082372

Map A-1: Map of Output Areas which make up 'Best Fit' of Stratfield Mortimer

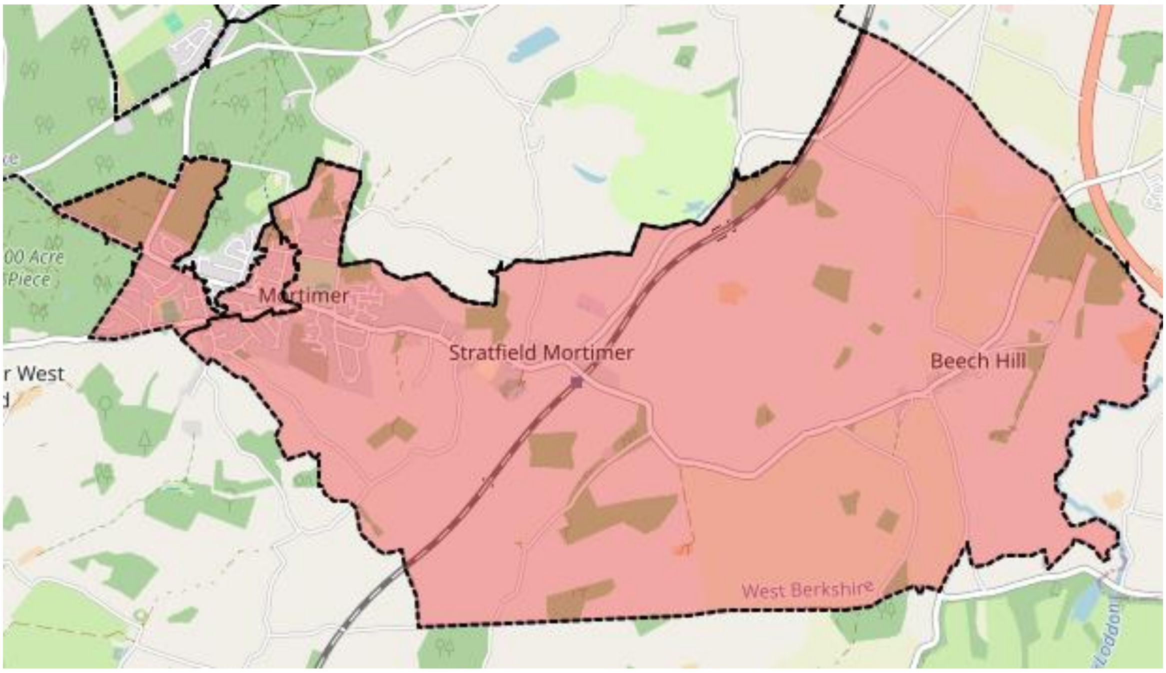


Source: NOMIS

A.2 Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing and the proportion of bungalows, is only available down to the scale of LSOAs. The most relevant combination of LSOAs in this case, which will need to be used as a proxy for the NA, is:

- E01016307
- E01016308

Figure A-2: Map of LSOA covering Stratfield Mortimer for VOA sata

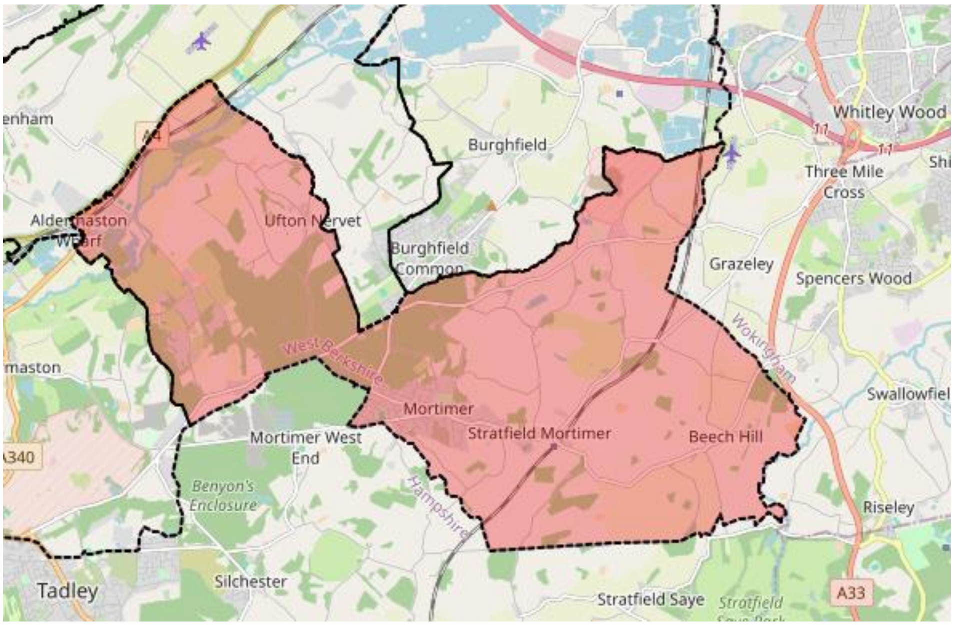


Source: NOMIS

A.3 Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, is:

- E02002233

Map A-3: Map of MSOA covering Stratfield Mortimer for income data



Source: NOMIS

Appendix B : Local Plan context

Policies in the adopted local plan

B.1 Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Stratfield Mortimer.

Table B-1: Summary of relevant adopted policies in the West Berkshire Core Strategy (2006 - 2026) Development Plan Document and the West Berkshire District Local Plan 1991 - 2006 (Saved Policies 2007).

Policy	Provisions
	West Berkshire Core Strategy (2006 - 2026)
Area Delivery Plan Policy 1 – Spatial Strategy	Provision will be made for the delivery of at least 10,500 net additional dwellings and associated infrastructure over the period 2006 to 2026. Most development will be within or adjacent to the settlements included in the settlement hierarchy set out below, and related to the transport accessibility of the settlements (especially by public transport, cycling and walking) their level of services and the availability of suitable sites for development. The majority of development will take place on previously developed land. Mortimer is identified as a ‘Rural Service Centre’, which are areas described as having a range of services and reasonable public transport provision – with opportunities to strengthen role in meeting requirements of surrounding communities. The area outside of the settlement boundary is classified as ‘open countryside’, which means that only appropriate limited development will be allowed, focused on addressing identified needs and maintaining a strong rural economy
Policy CS 1 - Delivering New Homes and Retaining the Housing Stock	Provision will be made for the delivery of at least 10,500 net additional dwellings and associated infrastructure over the period 2006 to 2026. Delivery will be phased and managed in order to meet at least an annual average net additional dwelling requirement of 525 dwellings per annum and to maintain a rolling five year supply of housing land. An update of the Strategic Housing Market Assessment (SHMA) (so that it accords with the requirements of National Planning Policy Framework, paragraph 159) will be undertaken within 3 years of the adoption of the Core Strategy.

Policy	Provisions
	For West Berkshire, the SHMA (2016) indicates a need for an average of 665 new dwellings a year for the period 2013 to 2036.
Policy CS 4 - Housing Type and Mix	Residential development will be expected to contribute to the delivery of an appropriate mix of dwelling types and sizes to meet the housing needs of all sectors of the community, including those with specialist requirements. The mix on an individual site should have regard to: – The character of the surrounding area. – The accessibility of the location and availability of existing and proposed local services, facilities and infrastructure. – The evidence of housing need and demand from Housing Market Assessments and other relevant evidence sources Development proposals will be expected to demonstrate how these matters have been addressed within the proposed dwelling mix. In the areas outside town centres, new residential development will predominantly consist of family sized housing which should achieve densities of between 30 and 50 dwellings per hectare, and should enhance the distinctive suburban character and identity of the area. Lower density developments below 30 dwellings per hectare will be appropriate in certain areas of the District. Some parts of the urban areas and some villages are particularly sensitive to the impact of intensification and redevelopment because of the prevailing character of the area, the sensitive nature of the surrounding countryside or built form, and/or the relative remoteness from public transport.
Policy CS 6 - Provision of Affordable Housing	In order to address the need for affordable housing in West Berkshire a proportion of affordable homes will be sought from residential development. The Council's priority and starting expectation will be for affordable housing to be provided on-site in line with Government policy. Subject to the economics of provision, the following levels of affordable housing provision will be sought by negotiation:- • On development sites of 15 dwellings or more (or 0.5 hectares or more) 30% provision will be sought on previously developed land, and 40% on greenfield land; • On development sites of less than 15 dwellings a sliding scale approach will be used to calculate affordable housing provision, as follows:

Policy	Provisions
	– 30% provision on sites of 10 – 14 dwellings; and – 20% provision on sites of 5 – 9 dwellings. In determining residential applications the Council will assess the site size, suitability, and type of units to be delivered. The Council will seek a tenure split of 70% social rented and 30% intermediate affordable units, but will take into consideration the identified local need and the site specifics, including funding and the economics of provision. The affordable units will be appropriately integrated within the development. The Council will expect units to remain affordable so as to meet the needs of both current and future occupiers. Where this is not relevant or possible, the subsidy will be recycled for the provision of future affordable housing.
The West Berkshire District Local Plan 1991-2006 (Saved Policies 2007)	
Policy HSG.13 – Residential use of Space above Shops and Offices	The Council will permit proposals for the residential use of and refuse proposals resulting in the loss of self-contained access to, the upper floors of appropriate premises in town centres. In appropriate cases the normal requirement for car parking provision will be reduced or waived. Requirement for private amenity space may also be reduced or waived.
Policy HSG.14 – Retention of Mobile Park Homes	The Council will normally resist the redevelopment and loss of existing mobile home parks except where the site is to be redeveloped with affordable housing for an identified local need.

Source: West Berkshire Core Strategy (2006 - 2026) and The West Berkshire District Local Plan 1991-2006 (Saved Policies 2007).

Policies in the emerging local plan

B.2 Table B-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in West Berkshire.

Table B-2: Summary of relevant emerging policies in the emerging Local Plan for West Berkshire

Policy	Provisions
Policy SP1 – Spatial Strategy	In each spatial area, opportunities should be taken to make the best use of previously developed land with higher densities of development in locations such as town centres, where the extent and capacity of supporting infrastructure, services and facilities is the greatest. Density on individual sites will vary according to their location and context, size of developable area and site specific issues such as shape and access:

Policy	Provisions
	- Within other defined settlements (those not including n Newbury, Thatcham, Tilehurst, Purley on Thames, and Calcot) developments are expected to secure a net density of at least 30 dwellings per hectare. - Developments on the edge of defined settlements are generally expected to secure a net density of 30 dwellings. However, lower density developments will be appropriate in certain areas of the District that are particularly sensitive to the impact of intensification and redevelopment. This may be because of the prevailing character of the area, the sensitive nature of the surrounding countryside or built form, and/or the relative remoteness from public transport. The strategy will deliver a range of site sizes for residential development. There are already significant existing commitments throughout the District. Additional development will come forward on both large strategic sites and smaller non-strategic sites allocated in the LPR and in some neighbourhood plans, together with infill development, including that on windfall sites within settlement boundaries. Allocations will be related to the role and function of settlements and the development opportunities identified through the HELAA.
Policy SP3 - Settlement Hierarchy	The scale of development proposals will be expected to be relative to the existing or proposed level of facilities and services in the settlement, together with their accessibility. Mortimer is designated as a 'Rural Service Centre', which is described as being able to offer development potential appropriate to the character and function of the settlement through: - Infill or changes of use within the settlement boundary; - Non-strategic sites allocated for housing and economic development through other policies in the LPR or neighbourhood plans; and - Rural exceptions affordable housing schemes For the village of Stratfield Mortimer, development outside of areas with settlement boundaries, in other rural hamlets and in isolated groups of development will be restricted to that which is appropriate in a rural area as set out in Policy DM1.
Policy SP12 - Approach to Housing Delivery	Provision will be made for 8,721 to 9,146 net additional homes in West Berkshire for the period 1 April 2022 to 31 March 2039; 513 to 538

<table>
<tr><th>Policy</th><th>Provisions</th></tr>
<tr><td></td><td>dwellings per annum. The target figure of 538 dwellings per annum does not constitute a ceiling or cap to development.

New homes will be located in accordance with Policy SP1: Spatial Strategy, Policy SP3: Settlement hierarchy and Policy DM1: Development in the Countryside.

There should be no net losses from the existing stock of homes in West Berkshire. Existing homes should be retained in residential use (or replaced at least in equal numbers, normally on the proposed site), unless there is a reasoned justification in the form of a benefit to the wider community for a change of use. Developments should utilise opportunities to make better use of the existing housing stock</td></tr>
<tr><td>Policy SP18 - Housing Type and Mix</td><td>Residential development will contribute to the delivery of an appropriate mix of dwelling tenures, types and sizes to meet the existing and future housing needs of all sectors of the community, including those with specialist requirements.

Residential developments should provide a mix of unit sizes. All developments, including conversions, of 10 or more dwellings (gross) will provide a mix of dwelling sizes reflecting the requirements of the table below, or any more recent evidence published by the Council.
<table>
<tr><th></th><th>1 bedroom</th><th>2 bedrooms</th><th>3 bedrooms</th><th>4+ bedrooms</th></tr>
<tr><td>Market</td><td>5-10%</td><td>40-45%</td><td>35-40%</td><td>10-15%</td></tr>
<tr><td>Affordable home ownership</td><td>20-25%</td><td>45-50%</td><td>20-25%</td><td>5-10%</td></tr>
<tr><td>Affordable housing (rented)</td><td>30-35%</td><td>35-40%</td><td>20-25%</td><td>5-10%</td></tr>
</table>
In determining any variation from this mix, the Council will have regard to:
a. The most up to date evidence on local housing needs;
b. The appropriate mix for the site’s size and location;
c. For conversions or redevelopment, any physical factors limiting a particular mix; and
d. Site specific viability.

All dwellings should be delivered as accessible and adaptable dwellings in accordance with Building Regulations M4(2). Around 10% of the new market housing and a maximum of 5 units of the affordable sector should also meet the wheelchair accessible standard M4(3)</td></tr>
</table>

Policy	Provisions
	wheelchair user dwellings unless evidence clearly demonstrates that this would make the scheme unviable. In order to support local communities to meet their housing needs the Council will normally support the development of housing schemes that are initiated by local communities. These may include schemes involving affordable housing, co-housing, community self-build, or housing for people with specific needs such as older people or those with disabilities.
Policy SP19 - Affordable Housing	Affordable homes will be sought from residential development. The Council's priority and starting expectation will be for affordable housing to be provided on-site. The following levels of affordable housing provision will be required: a. On development sites of 10 dwellings or more (or 0.5 hectares or more), 30% provision on previously developed land and 40% on greenfield land; or b. On development sites of between five and nine dwellings, 20% provision. The levels set out above represent the default position and a lower provision of affordable housing should not be sought, other than in exceptional circumstances and where fully justified by the applicant through clear evidence set out in a publicly available viability assessment. If a lower provision of affordable housing is sought in exceptional circumstances, a review mechanism will be required to ensure that if viability improves during the lifetime of the development project, additional affordable housing, up to the levels specified in this policy, is provided. In exceptional circumstances where site specific issues inhibit the provision of on-site affordable housing, or where provision can be better met on an alternative site in the district, off-site contributions may be accepted as an alternative. In determining residential applications the Council will assess the site size, suitability and type of units to be delivered. The Council will seek a tenure split of 25% First Homes and then 70% social rented, and 5% shared ownership. The priority is for social rent, but the Council will consider the potential for affordable rent as an alternative, only when

Policy	Provisions
	necessitated by site specifics, viability of delivery and identified local need. First Homes must be delivered, sold and let in accordance with the Council's First Homes policy. For schemes that consist of 100% build to rent units, the affordable housing provision will be in the form of affordable private rent, discounted by a minimum of 20% from local market rents. In relation to extra care housing, it is recognised that provision of affordable housing may be particularly difficult to achieve. In such circumstances, the policy will be implemented on a case-by-case basis, and the individual viability assessment will be used to demonstrate an appropriate affordable housing contribution. Affordable homes will be built to net zero carbon standards to help meet objectives on sustainability and climate change. The affordable units will be appropriately integrated within the development. The Council will expect First Homes dwellings to remain affordable in perpetuity so as to meet the needs of both current and future occupiers. It is expected that all other affordable homes provided will remain at an affordable price for future generations of eligible households for as long as it is needed. Where this is not possible, the subsidy will be recycled within the District for the provision of future affordable housing.
Policy DM1 - Residential Development in the Countryside	Exceptionally, new residential development outside of adopted settlement boundaries will be permitted. These exceptions are solely limited to development which is appropriately designed and located and which satisfies one or more of the following criteria: a. Sites allocated as part of the development plan; b. Sites for Gypsies and Travellers and Travelling Showpeople; c. Rural exception housing and/or First Homes exception sites; d. The conversion of redundant or disused buildings; e. Housing to accommodate rural workers; f. The extension to or replacement of existing residential dwellings; g. The subdivision of existing residential dwellings; or h. Limited residential infill in settlements in the countryside with no defined settlement boundary where:

Policy	Provisions
	i. It is within a closely knit cluster of 10 or more existing dwellings adjacent to, or fronting an existing highway; and ii. The scale of development consists of infilling a small undeveloped plot commensurate with the scale and character of existing dwellings within an otherwise built up frontage; and iii. It does not extend the existing frontage at either end; and iv. The proposed plot size and spacing between dwellings is similar to adjacent properties and respects the rural character and street scene of the locality.

Source: WEST BERKSHIRE LOCAL PLAN REVIEW 2022-2039.

Appendix C : Affordability calculations

C.1 This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

Market housing

C.2 Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

Market sales

C.3 The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

C.4 To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Stratfield Mortimer, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

C.5 The calculation for the purchase threshold for market housing is as follows:

- Value of a median NA house price (2023) = £417,000;
- Purchase deposit at 10% of value = £41,700];
- Value of dwelling for mortgage purposes = £375,300;
- Divided by loan to income ratio of 3.5 = purchase threshold of £107,229.

C.6 The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2023 was £336,250, and the purchase threshold is therefore £86,464.

C.7 It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 6 sales of new build properties in the NA in 2023 with an average price of £357,500. Whilst this is small sample size it is considered a reasonable estimate for new build prices in the NA as it is consistent with LQ prices when a premium is added to reflect the relationship between new build and existing stock prices. It is also above the LQ price in West Berkshire as a whole, consistent with the relationship between the median average price in the NA and the LA. It is important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).

C.8 In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across West Berkshire in 2023. The median cost of new build dwellings in West Berkshire was £487,100. This is higher than the median new build in Stratfield because new build sales in the NA were solely flats and terraces in 2023 whereas new build sales in the local authority area included larger property types, bringing the average price up.

Private Rented Sector (PRS)

C.9 It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.

C.10 This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

C.11 The property website Home.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the RG7 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

C.12 According to home.co.uk, there were 34 properties for rent in RG7 at the time of search in November 2024, listed with an average price of £2,388 per calendar month.

C.13 The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

- Annual rent = £1,450 x 12 = £17,400
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £58,000.

C.14 The calculation is repeated for the overall average to give an income threshold of £95,520.

Affordable Housing

C.15 There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2024: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. The new First Homes was introduced in 2021 but is defined in the Ministerial Statement 2021. Each of the affordable housing tenures are considered below.

Social rent

C.16 Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

C.17 To determine social rent levels, 2021 data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Stratfield Mortimer. This data provides information about rents and the size and type of stock owned and managed by private registered providers and local authorities and is presented for West Berkshire in Table C-1.

C.18 To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£97.98	£118.76	£129.55	£144.66	£119.18
Annual average	£5,095	£6,176	£6,737	£7,522	£6,197
Income needed	£16,983	£20,585	£22,455	£25,074	£20,658

Source: Homes England, AECOM Calculations

Affordable rent

C.19 Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

C.20 Even a 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

C.21 Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for West Berkshire. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

C.22 Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£124.16	£152.38	£180.29	£191.39	£152.73
Annual average	£6,456	£7,924	£9,375	£9,952	£7,942
Income needed	£21,521	£26,413	£31,250	£33,174	£26,473

Source: Homes England, AECOM Calculations

Affordable home ownership

C.23 Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

Discounted Market Sale/ First Homes

C.24 Discounted market sale homes are affordable home ownership products which offer a discount of at least 20% on market values.

C.25 First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);

- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;

- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.

C.26 The starting point for considering whether Discounted Market Sale/First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £357,500.

C.27 For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (estimated NA new build entry-level) = £357,500;
- Discounted by 30% = £250,250;
- Purchase deposit at 10% of value = £25,025;
- Value of dwelling for mortgage purposes = £225,225;
- Divided by loan to income ratio of 3.5 = purchase threshold of £64,350.

C.28 The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £55,157 and £45,964 respectively.

C.29 All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. However, discounts of 30% would not quite be sufficient to bring the discounted price below the £250,000 cap. As such, a greater discount would be needed here, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.

C.30 Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m20) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Stratfield Mortimer.

C.31 Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household

[20] It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/

NA median house price	45%	78%	56%
NA estimated new build entry-level house price	35%	74%	48%
NA entry-level house price	31%	73%	45%
LA median new build house price	53%	81%	62%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

C.32 Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

C.33 In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

C.34 To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

C.35 The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £357,500 is £89,375;
- A 10% deposit of £8,938 is deducted, leaving a mortgage value of £80,438;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £22,982;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £268,125;
- The estimated annual rent at 2.5% of the unsold value is £6,703;
- This requires an income of £22,343 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £45,326 (£22,982 plus £22,343).

C.36 The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £36,005 and £60,860 respectively.

C.37 All of these income thresholds fall below the £80,000 household income cap.

Rent to Buy

C.38 Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Appendix D : Affordable Housing need and policy

Affordable housing policy

D.1 The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

Table D-3: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
A. **Evidence of need for Affordable Housing**: The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.	This HNA suggests that the NA requires around 8 units of affordable rented housing and 9 units of affordable home ownership homes per annum over the Neighbourhood Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.	If the Local Plan target of 30% were achieved on every site (assuming PDL target), assuming the delivery of the NA's housing requirement for 110 homes overall, up to 33 affordable homes might be expected in the NA over Neighbourhood Plan period. This level of potential affordable housing delivery would not be sufficient to meet all of the need identified. In this case, the provision of social/affordable rented housing is likely to be prioritised for delivery to meet acute needs.
C. **Government policy (eg NPPF) requirements**: There is no required tenure mix set out in national policy (NPPF 2024) but local authorities are required to set out the	Implicit prioritization of Social Rented homes within Affordable Housing policy at the nation level but local authorities have flexibility to set out the proportion needed in their areas.

minimum proportion of Social Rented housing needed in their areas as part of their Affordable Housing requirements.	Local Plan tenure mix provides the starting point.
D. **Local Plan policy**:	The adopted and emerging Local Plan seeks a tenure split of 70% social rent and 30% affordable home ownership.
E. **Viability**:	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
F. **Funding**: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.	The Stratfield Mortimer Neighbourhood Plan Steering Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
G. **Existing tenure mix in Stratfield Mortimer**: The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.	The share of Affordable Housing in the NA is similar to the West Berkshire average at 14% social rented and around 1% shared ownership. However, this is below the level for England as a whole which suggests increasing the delivery of Affordable Housing would provide greater choice locally.
H. **Views of registered providers**:	It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels.
I. Wider policy objectives:	The Stratfield Mortimer Neighbourhood Plan Steering Group may wish to take account of broader policy objectives for Stratfield Mortimer and/or the wider authority area. These could include, but are not restricted to,

	policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

Appendix E : Specialist housing for older people

Background data tables

Table E-1: Existing specialist housing supply, Stratfield Mortimer

	Name	Description	Dwellings	Tenure	Type
1	Glenapp Grange, Mortimer Common	Age exclusive flats, bungalows and houses Careline alarm service Laundry and guest facilities	19	Leasehold	Age Exclusive
2	Windmill Court, Mortimer Common	Retirement housing mix of flats and bungalows 1-2 bedrooms Non resident management staff and careline alarm service Communal facilities including lounge, garden, salon and kitchen	34	Social Rented	Sheltered Housing
3	Badgers Croft Mortimer Common	23 retirement flats with 2 bedrooms. Resident management staff and careline alarm service. Age 55+	23	Leasehold	Retirement Housing

Source: http://www.housingcare.org

Table E-2: Tenure and mobility limitations of those aged 65+ in Stratfield Mortimer, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	153	20.7%	151	20.4%	435	58.9%
Owned Total	93	16.2%	118	20.6%	362	63.2%
Owned outright	79	15.6%	104	20.5%	325	64.0%
Owned (mortgage) or shared ownership	14	21.5%	14	21.5%	37	56.9%

Rented Total	60	36.1%	33	19.9%	73	44.0%
Social rented	46	36.8%	29	23.2%	50	40.0%
Private rented or living rent free	14	34.1%	4	9.8%	23	56.1%

Source: DC3408EW Health status

HLIN calculations

Table E-3: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

E.1 Stratfield Mortimer is forecast to see an increase of 316 individuals aged 75+ by the end of the Neighbourhood Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = 60 x .316 = 19
- Leasehold sheltered housing = 120 x .316 = 38
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x .316 = 6.33
- Extra care housing for rent = 15 x .316 = 4.75
- Extra care housing for sale = 30 x .316 = 9.49
- Housing based provision for dementia = 6 x .316 = 1.90

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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) Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent; (b) the landlord is 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.

b) Other affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for 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).

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[21].

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[22]

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

[21] The Tenant Services Authority has issued an explanatory note on these methods at http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf
[22] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

Co-living

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

Community-led developments (NPPF definition)

A development taken forward by, or with, a not-for-profit organisation, that is primarily for the purpose of meeting the needs of its members or the wider local community, rather than being a primarily commercial enterprise. The organisation should be created, managed and democratically controlled by its members, and membership of the organisation should be open to all beneficiaries and prospective beneficiaries of that organisation. It may take any one of various legal forms including a co-operative society, community benefit society and company limited by guarantee. The organisation should own, manage or steward the development in a manner consistent with its purpose, potentially through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the community should be clearly defined and consideration given to how those benefits can be protected over time, including in the event of the organisation being wound up.

Community Right to Build Order

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders. The NPPF 2024 specifically defines it as follows: An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a sitespecific development proposal or classes of development.

Concealed Families (Census definition)[23]

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

Equity Loans/Shared Equity

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

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

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Need (NPPG 2024 definition)

Housing need is an unconstrained assessment of the minimum 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.

Housing Needs Assessment

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

Housing Products

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

Housing Requirement (NPPF 2024 Definition)

The housing requirement is the minimum number of homes that a plan seeks to provide during the plan period. Once local housing need has been assessed, as set out in this guidance, authorities should then make an assessment of the amount of new homes that can be provided in their area. This should be justified by evidence on land availability, constraints on development and any other relevant matters.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: http://www.lifetimehomes.org.uk/. Lifetime Homes standards have been broadly wrapped up into the M4(2) optional building regulations standards which relate to accessibility and adaptability of dwellings.

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[24], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than

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

one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing[25]

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

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.[26]

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

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