

# Todmorden Housing Needs Assessment (HNA)

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**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
BCP	Bournemouth, Calderdale and Poole
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

## 1.1 Introduction

1. Todmorden Parish Council commissioned through Locality a Housing Needs Assessment (HNA) to inform their Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed two research questions (RQs) for the HNA to answer. The RQs serve to direct out research into the key neighbourhood-level issues and provide the structure for the study.

## 1.2 Research Questions

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

2. The Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
3. This evidence will allow Todmorden to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

4. The Parish Council is seeking to determine what size and type of housing would be best suited to the local community.
5. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

## 1.3 Findings of RQ1: Tenure and Affordability

6. Home ownership is currently most frequent form of tenure within Todmorden, followed by rented tenures such as social and private rented. Over the intercensal period, the private rental sector has expanded significantly likely due to would-be buyers being priced out of home ownership. Shared Ownership has also grown dramatically, potentially due to being made more widely available by housing associations in new build developments.
7. House prices within Todmorden have increased steadily between 2009 and 2018, with terraced and semi-detached homes seeing the greatest increase in price.
8. In terms of affordability thresholds, average total household for Calderdale is £51,000 and the lower quartile gross household income for the area surrounding Todmorden is £13,961 for single earning households and £27,922 for dual earning households.
9. Comparing these thresholds with the costs associated with each form of tenure reveals that while those on average and dual lower quartile incomes can afford most tenures, those on single lower quartile incomes cannot. In fact currently, no form of tenure is affordable for this income group, meaning that a greater proportion of income (more than 30%) must be spent on housing costs.
10. For this reason, the needs of this group must be prioritised with regards to housing policy. Based on this analysis, it is suggested that for Todmorden, 70% of tenures be affordable rented (split between 25% affordable and 45% social rented) and 30% be affordable owned (split between 10% discounted market sale and 20% shared ownership). It is important to note however that this tenure split should be considered a guideline for the ideal mix of tenures within an NA.
11. Affordable housing calculations reveal that 10.78 dwellings per annum are likely to be needed for affordable rent with Todmorden during the Plan Period while 62.55 dwellings per annum are likely to be needed for affordable home ownership, based on projected need. Assuming that all 390 dwellings are delivered (Todmorden's housing quantity figure), and that all are delivered on sites bringing forward more than 15 dwellings (which is not likely), the maximum provision of affordable housing can be expected to be in the region of 98 dwellings.
12. This quantity of affordable housing does not meet the need identified in the estimates. It is not sufficient to meet the need for affordable rented housing alone, and does not come close to satisfying potential demand for affordable home ownership dwellings. Todmorden is therefore considered to have a relatively acute need for affordable housing that is unlikely to be met through normal channels of delivery. As such, the neighbourhood planners may wish to consider

alternative means of delivery, such as allocating a site exclusively for affordable housing or forming a community land trust.

13. Whilst there may be some potential demand for affordable home ownership products, it is difficult to support substantial provision of these homes as most of these households would be able to afford to buy in the open market. There may be some specific products that can be justified, including shared ownership which may extend home ownership to some of the lowest income households and products which support households in saving for a deposit eg rent to buy. Given the Government's recent announcement on the introduction of First Homes (30% discount on new market homes) it would be worthwhile to keep this product under review for its potential to meet the aspirations of households unable to afford to buy, particularly younger households.
14. It is important to realise that there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for them to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that need is met to a greater extent if resources permit.

## 1.4 Findings of RQ2: Type and Size

15. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
16. With regards to housing type, Todmorden is largely characterized by the predominance of terraced homes. Based on this, there is potential for future developments to expand into other types such as detached homes, semi-detached homes and perhaps even flats and bungalows if these were deemed appropriate. Given that Todmorden has an ageing population coupled with affordability issues for those on smaller incomes, this may be reason to increase the provision of cheaper dwelling types such as flats and bungalows.
17. At present, dwellings in the NA tend to be small to medium sized homes of 4-6 rooms (or 2-3 bedrooms). Over the intercensal period there have been fluctuations amongst other sizes of dwelling, including marked increases in 3-4 room dwellings and 7-8 room dwellings, indicating a preference for these sizes.
18. Todmorden's age structure and household composition are broadly in line with its wider geographies and tend to be dominated by families middle aged groups i.e. 25-64. Over the intercensal period the elderly age group in particular (those 85+) has grown significantly. With this trend continuing over the Plan Period, it is advisable to adjust future developments accordingly, building either smaller homes or homes that may be adapted for elderly use.
19. A life-stage modelling exercise mirrors these earlier findings and shows that, in terms of demographic change, new development should include 35.4% 1 bedroom, 39.4% 2 bedroom, 18.2% 3 bedroom and 7% 4 bedroom dwellings, with no further dwellings of 5 or more bedrooms provided since these already predominate in the existing stock.
20. This ideal dwelling mix should be applied with a high degree of flexibility because it may not be reasonable in practice to so severely limit the provision of dwellings with 5 or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the district as a whole.
21. The housing mix supplied in each of the sub-areas should have regard to the existing housing stock. There is a moderate degree of need to diversify away from present imbalances in particular sub-areas. This is more the case for dwelling types than for sizes.
22. As evidenced within the Tenure chapter, the number of households renting privately has risen significantly between the two censuses. This increase likely reflects the growing number of households unable to get on the housing ladder. Developing smaller, cheaper homes therefore may be a way to help combat this issue.

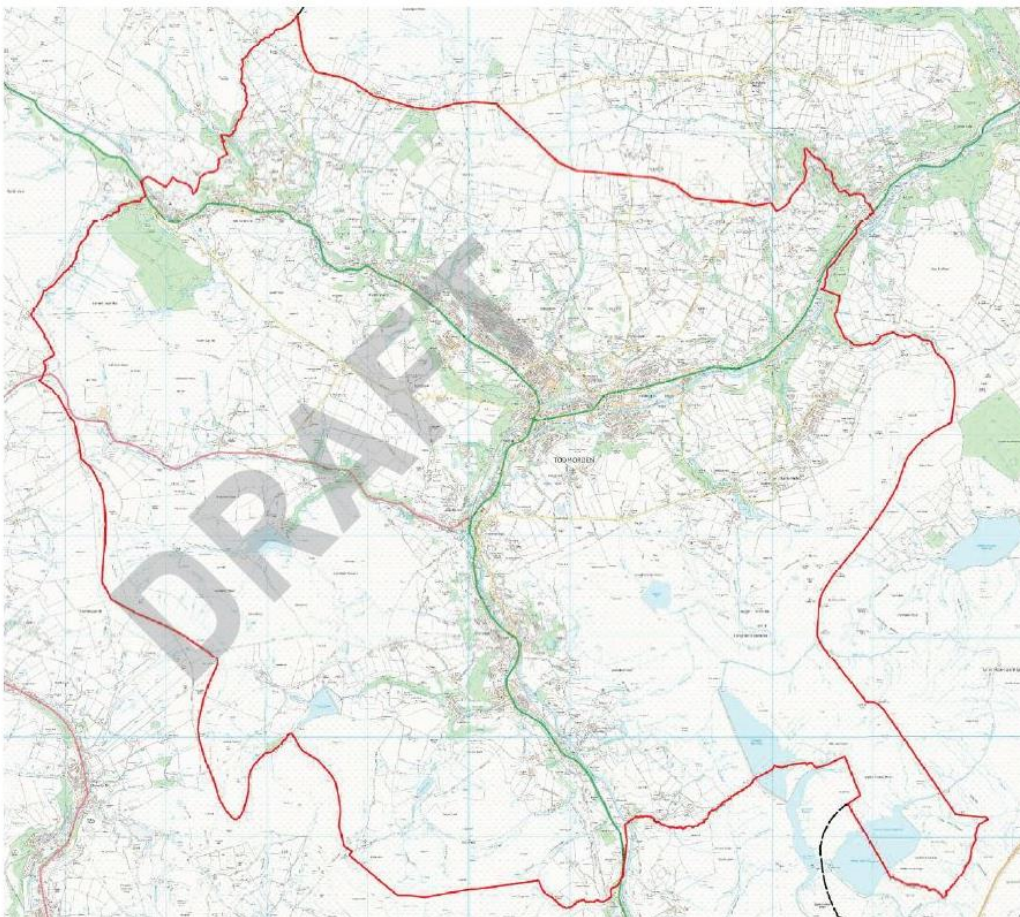


## 2. Context

### 2.1 Local context

23. Todmorden is a Neighbourhood (Plan) Area (NA) located in the borough of Calderdale, West Yorkshire and was designated in 2015. The NA boundary covers the whole of the Civil Parish of Todmorden. The area can be broadly broken down into six sub-areas. Moving loosely southwards, these are Cornholme, Stansfield, Central, Stoodley, Walsden and Langfield.
24. The Neighbourhood Plan will run from 2018 to 2032, thereby covering a period of 14 years.
25. Todmorden is a Market town which stands at the meeting point of three valleys carved into the Pennine hills, giving it a distinctive landscape and setting. It has good transport connections, via both road and rail, to nearby towns and cities such as Manchester, Leeds, Bradford, Halifax, Rochdale and Burnley.
26. The statistics show that in the 2011 Census the NA had a total of 15,481 residents.
27. A map of the Plan area appears below in Figure 2.1.

**Figure 2-1: Map of the Todmorden Neighbourhood Plan area<sup>1</sup>**



*Source: Todmorden Neighbourhood Plan Draft*

28. The Parish Council is interested in exploring the need for Affordable Housing in the NA, including Affordable Housing for sale, and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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<sup>1</sup> Supplied by Todmorden Town Council



## 2.2 Planning policy context

29. In line with the Basic Conditions<sup>2</sup> of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.<sup>3</sup> Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
30. In the case of Todmorden, the relevant local planning context is as follows:
31. The Replacement Calderdale Unitary Development Plan (RCUDP) was adopted by the Council in 2006, and amendments made to it in 2009, replacing the former Unitary Development Plan from 1997. The amended document covers the period 2006-2016 but also provides a long-term vision of how the District should be shaped over the next 15 years (until 2021). Although some of these policies are out of date, they will remain relevant until they are superseded by a new adopted Local Plan.
32. An emerging Local Plan for the area is, however, at an advanced stage of development. The emerging Calderdale Local Plan (CLP), which will cover the period 2011-2033, was submitted to the Secretary of State for examination in January 2019 and is due to be adopted in late 2019. Stage 1 hearings took place in June and July of 2019 while Stage 2 hearings are expected to take place in mid-2020.
33. In response to the Planning Inspector's examination of the Calderdale Local Plan, potential amendments were put forward in January 2020 including a revision to the Housing Requirement and an increased supply of sites to meet this need.
34. The revised proposal recommends an increase of 1,040 houses per year in Calderdale over the next 10 years (2018/19 – 2027/28) and then a further increase of 910 houses per year over the following 5 years (2028/29-2032/33). This equates to 14,950 homes in total over the next 15 years.

### 2.2.1 Policies in the adopted local plan<sup>4</sup>

**Table 2-2: Summary of Calderdale adopted policies having relevance to Todmorden Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy GH 1: Meeting Calderdale's Housing Needs	The provision of affordable housing for those who cannot afford to buy or rent housing which meets their needs in the open market; The provision of specialised housing accommodation for disadvantaged groups
Policy H 11: Mix of Housing Types	Planning permission for residential development will only be granted where provision is made for a mix of housing in terms of the size, type and affordability of dwellings on suitable sites, defined as developments of 12 or more dwellings or sites in town centres, in order to meet the full range of housing need in Calderdale.

<sup>2</sup> Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>3</sup> However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

<sup>4</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy H 13: Affordable Housing	<p>Affordable housing within private development schemes on sites in Policy H 5 'Phase 1 Housing Allocations', Policy H 7 'Phase 2 Housing Allocations' and Policy H 8 'Phase 3 Housing Allocations' and other proposed housing schemes will be sought where:</p> <ul style="list-style-type: none"> <li>the site or proposed number of dwellings is above government thresholds - these are currently developments of 25 or more dwellings or sites of 1 hectare or more; or</li> <li>the site is in a rural settlement of 3,000 or fewer population where this policy will apply to developments of 15 or more dwellings or to sites of 0.5 or more hectares.</li> </ul> <p>Planning applications which include proposals for affordable housing will be assessed against the following criteria:</p> <ul style="list-style-type: none"> <li>the affordable housing is provided to cater for the housing need in the District;</li> <li>there are secure and practical arrangements to retain the benefits of affordability for initial and subsequent owners and occupiers, such as the involvement of a registered social landlord and where appropriate by the use of conditions or planning obligations; and</li> <li>there are adequate means of controlling the phasing of construction of the affordable housing element of mixed development schemes, either by use of conditions or planning obligations.</li> </ul>
Policy H 15: Lifetime Homes	<p>In order to increase the choice of housing available to disabled people, on sites of one hectare or larger, on average 15% of dwellings will be required to be built to Lifetime Homes Standards. The actual proportion will vary depending on local needs as demonstrated in the Calderdale Housing Requirements Study.</p>

Source: <https://www.calderdale.gov.uk/environment/planning/developmentplan/udp/index.html>

## 2.2.2 Policies in the emerging local plan

**Table 2-3:: Summary of Calderdale emerging policies having relevance to Todmorden Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy HS3: Housing Mix	<p>i. In order to meet the housing needs of the Borough over the Plan period, the Council will seek a mix of type and sizes for new housing.</p> <p>ii. Proposals for housing developments of 10 or more dwellings will be expected to provide for a mix of housing in terms of size, type, tenure and affordability; additionally, proposed housing developments of 30 or more dwellings should be accompanied by a statement setting out how the mix of housing will assist in meeting local needs. The various house types, sizes and needs being met should be spread throughout the site.</p> <p>iii. The housing mix should be informed by the most recent SHMA together with other relevant and recent information, and also taking into account market factors, and the location and characteristics of the site.</p>
Policy HS4: Housing for Independent Living	<p>The Council will seek to increase the level of housing suitable to meet the needs of older people.</p>
Policy HS6: Affordable Housing	<p>The Council will negotiate with developers for the inclusion of an element of affordable homes in planning applications for housing developments of more than 10 homes in order to assist in meeting the affordable housing needs of the Borough.</p> <p>It should be noted that affordable housing (AH) figures within the district have been scaled according to size threshold. Todmorden falls into 'Zone C', 15+ dwellings, and as a result has an AH figure of 25%.</p>
Policy SD3: Housing Target	<p>Provision will be made for 13,286 additional dwellings (net) to be delivered within Calderdale between 1st April 2017 and 31st March 2032, approximating to 1,125 dwellings per annum, in order to meet the needs for housing in the Borough, taking account of economic growth.</p>

Source: [https://calderdale.objective.co.uk/portal/planning\\_services/lp17/lpid?pointId=4395663](https://calderdale.objective.co.uk/portal/planning_services/lp17/lpid?pointId=4395663)

### 2.2.3 Quantity of housing to provide

35. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive number of houses to plan for over the Neighbourhood Plan period in the strategic policies of their Local Plans. Where this is not possible, Local Authorities should provide an indicative figure, if requested to do so by the Neighbourhood Planning body.
36. Based on the Draft Calderdale Local Plan, Todmorden has a housing allocation of 311 dwellings. If the Housing Requirement Update and Potential Supply were to be accepted, this figure would increase by 38, resulting in a total of 349 dwellings over the Plan Period. It is, however, understood that total delivery is likely to be in the region of 390 dwellings.
37. The issue of quantity for general housing need has therefore been excluded from the Research Questions (see Chapter 3 below).

## 3. Approach

### 3.1 Research Questions

38. Research Questions, abbreviated to 'RQ,' are formulated at the start of the project through discussion with the Parish Council. They serve to direct the research and provide the structure for the HNA. The RQs relevant to this study, as discussed and agreed with Todmorden Parish Council, are set out below.

#### 3.1.1 Tenure and Affordability

39. The Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
40. This evidence will allow Todmorden to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

#### 3.1.2 Type and Size

41. The Parish Council is seeking to determine what size and type of housing would be best suited to the local community.
42. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

43. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Todmorden NA is located within the local authority of Calderdale, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), this comprises both the Calderdale SHMA (2015) as well as the Updated Review of Objectively Assessed Housing Needs in Calderdale (2018).
44. For the purpose of this HNA, data from the evidence base underpinning the review of the Calderdale Local Plan to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area, and has been referenced as appropriate.

#### 3.2.2 Other relevant data

45. In addition to the Calderdale evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
- Land Registry data on prices paid for housing within the local market;
  - Population and household projections produced by the Office of National Statistics (ONS);
  - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](http://home.co.uk);
  - Housing data from local survey and consultation work undertaken by Todmorden Town Council.

## 4. RQ 1: Tenure and Affordability

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

### 4.1 Introduction

46. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
47. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, make an assessment on whether continuation of these trends would meet future needs. This section also investigates whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.<sup>5</sup>

### 4.2 Definitions

48. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.<sup>6</sup>
49. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). However, it still recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
50. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,<sup>7</sup> the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes shared ownership homes, and homes available for discount market sale.
51. The Government has proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rented tenures for those unable to afford home ownership.

### 4.3 Current tenure profile

52. In order to set a baseline for the examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Todmorden, compared to the rest of Calderdale and England.
53. Todmorden follows a similar pattern to its wider geographies with home ownership the most frequent form of tenure (67%), followed by social and private rented (17% and 14% respectively).

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<sup>5</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>6</sup> NPPF 2019.

<sup>7</sup> PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

**Table 4-1: Tenure (households) in Todmorden, 2011**

Tenure	Todmorden	Calderdale	England
Owned; total	66.5%	66.6%	63.3%
Shared ownership	0.9%	0.4%	0.8%
Social rented; total	13.7%	15.2%	17.7%
Private rented; total	17.4%	16.4%	16.8%

Sources: Census 2011, AECOM Calculations

54. In Table 4-2, we note the changes in tenure during the intercensal period. The most apparent change can be seen within the proportion of shared ownership tenures which has becoming more available in recent years (although this is likely from a low base point). The private rented sector has also expanded significantly, likely due to the relative unaffordability of home ownership in comparison to income.

**Table 4-2: Rates of tenure change in Todmorden, 2001-2011**

Tenure	Todmorden	Calderdale	England
Owned; total	1.8%	2.5%	-0.6%
Shared ownership	125.9%	12.8%	30.0%
Social rented; total	-0.4%	-1.2%	-0.9%
Private rented; total	88.4%	120.6%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

## 4.4 Affordability by tenure

55. Having reviewed the tenure of the existing housing stock in Todmorden and the findings of the SHMA, this report turns to assessing future provision.
56. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and in the future, the starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

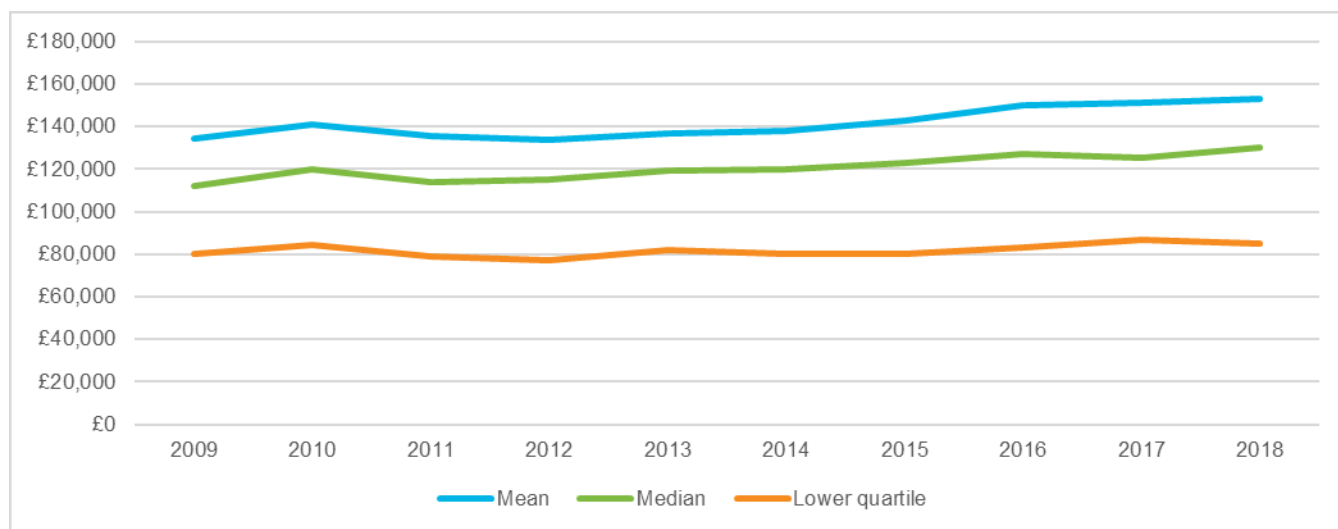
### 4.4.1 House prices

57. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>8</sup> An entry-level dwelling can also be understood as one suitable for a household comprising one, two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
58. Figure 4-4-1 on the following page looks at selected measures of house prices in Todmorden, including entry-level homes represented by the orange line. It shows that between 2009 and 2018 house prices were generally stable with a slight increasing trend, reflecting the national increase in house prices across this period.

<sup>8</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>



Figure 4-4-1: House prices by quartile in Todmorden between 2009 and 2018



Source: Land Registry PPD

59. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). All property types have seen moderate growth with the exception of flats, which only form a small proportion of Todmorden's housing stock.

Table 4-3: House prices by type in Todmorden, 2009-2018 (average)

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£263,081	£265,365	£268,159	£251,362	£259,468	£263,858	£273,719	£295,619	£302,534	£308,164	17.1%
Semi-detached	£137,479	£144,393	£139,614	£138,477	£142,428	£145,782	£154,109	£157,574	£157,942	£166,356	21.0%
Terraced	£95,088	£100,741	£98,269	£98,486	£99,980	£101,185	£105,805	£107,343	£110,712	£116,441	22.5%
Flats	£112,121	£110,960	£103,968	£109,099	£112,713	£106,053	£85,845	£98,413	£109,809	£103,024	-8.1%
<b>All Types</b>	<b>£134,381</b>	<b>£141,213</b>	<b>£135,599</b>	<b>£133,546</b>	<b>£136,985</b>	<b>£137,890</b>	<b>£142,881</b>	<b>£149,671</b>	<b>£150,945</b>	<b>£153,136</b>	<b>14.0%</b>

Source: Land Registry PPD<sup>9</sup>

#### 4.4.2 Income

60. 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.
61. The first source is locally specific but limited to the average total household income (or take-home pay). This is the average household income estimates published by ONS<sup>10</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>11</sup>. In the case of Todmorden the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is Calderdale 013. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
62. The average total household income across Calderdale 013 in 2018 was £51,100.

<sup>9</sup> Prices rounded to nearest 1000

<sup>10</sup> Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>11</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

63. The second source of data provides the Lower Quartile (LQ) average income that is helpful for understanding affordability challenges among those with lower than average incomes, but it is only available at the District level and so is less locally-specific. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the 2018 data is considered more robust and is therefore used.
64. Calderdale's gross annual lower quartile pay was £13,961 in 2018. This is the LQ income before taxes for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, we have doubled the annual income to £27,922.
65. This LQ figure is a helpful indication of what those in the lowest income brackets are able to put towards their housing costs, although it is important to note two caveats. First, this figure applies to the wider District and may therefore differ from actual LQ income levels within the NA itself. Second, it is an indication of gross rather than net incomes, and so the actual amount of income received after taxes and expenses will likely differ.

#### 4.4.3 Affordability Thresholds

66. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
67. AECOM has determined thresholds for entry-level market purchase and private rent and the full range of Affordable Housing tenures as set out in NPPF across Todmorden. There are: social rent; affordable rent set at 80% of the cost of private renting, shared ownership at 25%, 50%, and 75% equity shares; discounted market sale and rent to buy; and estimated social rent levels. These calculations are detailed in Appendix A. 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.
68. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Todmorden. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

**Table 4-4: Affordability thresholds in Todmorden (income required, £)**

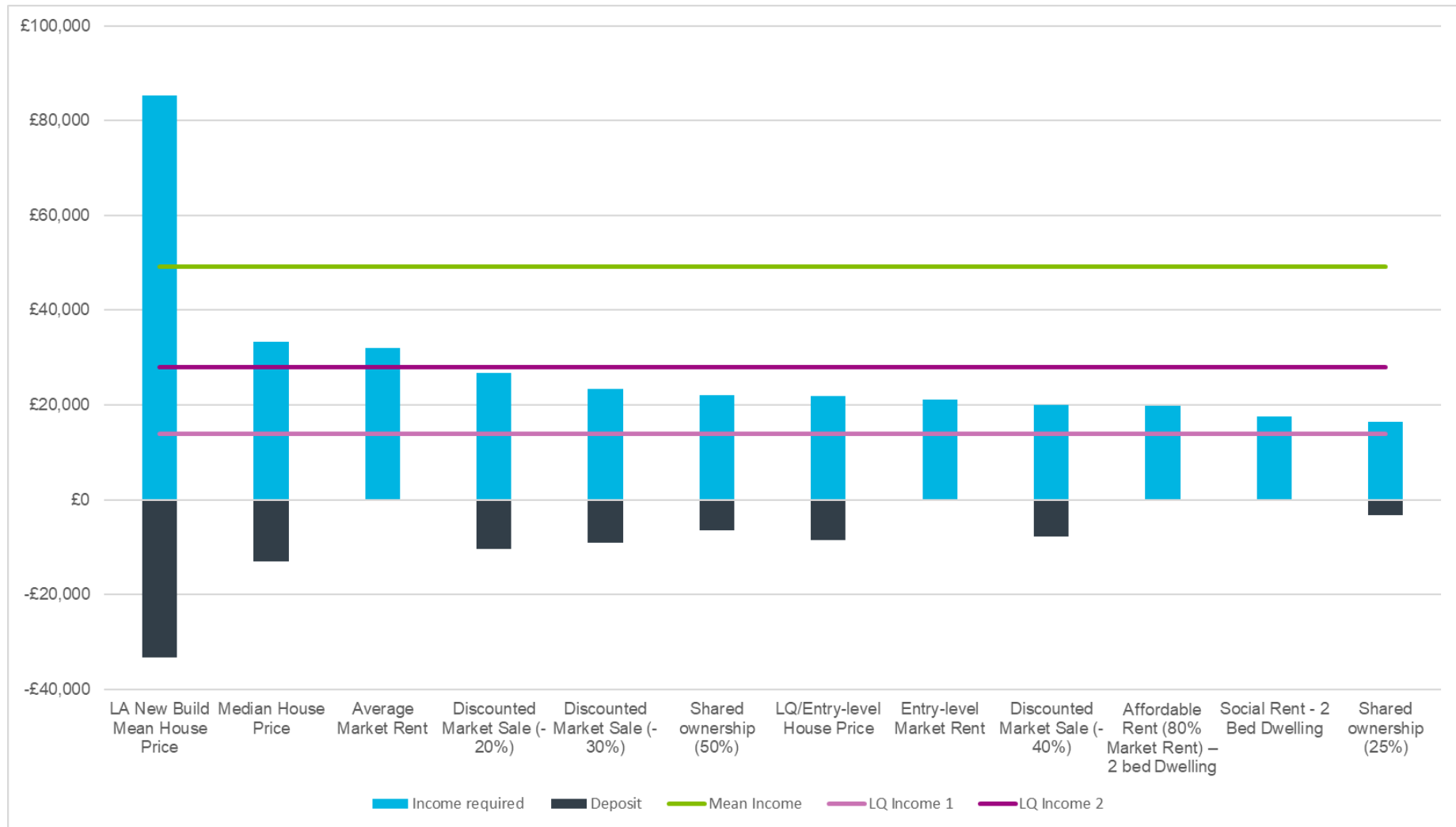
Tenure	Cost of purchase	Annual rent	Annual Income required <sup>12</sup>
<b>Market Housing</b>			
Median House Price	£117,000	-	<b>£33,429</b>
Calderdale New Build Mean House Price	£298,597	-	<b>£85,313</b>
LQ/Entry-level House Price	£76,500	-	<b>£21,857</b>
Average Market Rent	-	£9,612	<b>£32,040</b>
Entry-level Market Rent	-	£6,360	<b>£21,200</b>
<b>Affordable Home Ownership</b>			
Discounted Market Sale (-20%)	£104,000	-	<b>£26,743</b>
Discounted Market Sale (-30%)	£91,000	-	<b>£23,400</b>
Discounted Market Sale (-40%)	£78,000	-	<b>£20,057</b>
Shared Ownership (50%)	£16,714	£5,417	<b>£22,131</b>
Shared Ownership (25%)	£8,357	£8,125	<b>£16,482</b>
<b>Affordable Rented Housing</b>			
Affordable Rent	-	£4,975	<b>£19,901</b>
Social Rent	-	£4,374	<b>£17,497</b>

Source: AECOM Calculations

69. The income required to afford the different tenures is then benchmarked, in Figure 4-4-2 against the three measurements of household income set out above. These are the total average household income before housing costs for Calderdale 013: £51,000 and the lower quartile gross household income for Calderdale: £13,961 for single earning households and £27,922 for dual earning households.
70. Taking into consideration the thresholds set out above, it is clear that there are affordability concerns mainly for those on lower quartile incomes. Based on local house prices and income, this group are currently unable to afford any of the tenures listed, even those described as affordable such as affordable and social rent. Given this, the needs of this group need to be prioritised through the provision of subsidised housing (which they may in actuality be able to afford with other benefit arrangements).
71. Those on median incomes and dual-household lower quartile incomes fare much better, with the vast majority of tenures falling within their reach. Only some forms more expensive forms of market housing price out those on dual lower quartile incomes. New builds, which were found to be the most expensive form of tenure on average, are currently unaffordable for all income groups considered.

<sup>12</sup> On top of deposit assumed at 10% (see Appendix A).

Figure 4-4-2: Affordability thresholds in Todmorden (income required, £)



Source: AECOM Calculations

## 4.5 Affordable housing- quantity needed

72. The two tables below estimate the number of households who can be expected to need affordable housing by the end of the plan period in 2032.
73. The first table estimates the number of households who can be expected to need affordable rented housing, namely social rent and affordable rent. These households may include those in temporary or unsuitable accommodation, as well as homeless households. As such, their housing needs can be considered urgent.
74. The second table estimates the potential demand for affordable housing for sale, such as shared ownership, discounted market housing, and the like. This group of households can also be understood as those who can rent but cannot afford to buy their own homes (and may aspire to). As such, their housing needs are less urgent than those described above. Although improving access to home ownership is a clear political priority, the households who might benefit from it are assumed to be adequately housed in the private rented market.
75. The calculations suggest that 10.78 units of affordable rented housing will be needed per year during the plan period, and there will be potential demand for 62.55 affordable home ownership dwellings. In total, over the plan period 2018-2032, this equates to 151 units of affordable rented housing and 876 affordable home ownership dwellings (both rounded).
76. It is currently understood that Todmorden's housing requirement figure is in the region of 390 dwellings over the plan period.
77. The emerging Calderdale Local Plan includes Todmorden and its constituent sub-areas in Zone C for affordable housing provision, which requires all developments bringing forward more than 15 dwellings to provide affordable housing at a rate of 25% of all housing.
78. Assuming that all 390 dwellings are delivered, and that all are delivered on sites bringing forward more than 15 dwellings (which is unlikely to be the case), the maximum provision of affordable housing can be expected to be in the region of 98 dwellings.
79. This quantity of affordable housing does not meet the need identified in the estimates below. It is not sufficient to meet the need for affordable rented housing alone, and does not come close to satisfying potential demand for affordable home ownership dwellings.
80. Todmorden is therefore considered to have a relatively acute need for affordable housing that is unlikely to be met through normal channels of delivery. As such, the neighbourhood planners may wish to consider alternative means of delivery, such as allocating a site exclusively for affordable housing or forming a community land trust.

**Table 4-5: Quantity of Need for Affordable Rented Housing**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Local Authority waiting list	111.84	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Neighbourhood level data not available from LA.
1.2 NA overcrowding	195.00	2011 Census overcrowding in Todmorden parish (number of households with an occupancy rating (bedrooms) of -1 or less (154), and assuming that half (42) of the 83 concealed households at that time are also counted in overcrowding statistics)
1.1 Current households in need	306.84	
1.2 Per annum	<b>21.92</b>	1.1 divided by the plan period 2018-2032
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	812.37	MHCLG 2014-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	15.21%	(1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	997.85	2011 Census + LA-level % increase (MHCLG, Live Table 100)
2.2.2 Number of private renters on housing benefits	18.01	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	123.55	2.1 * 2.2
2.4 Per annum	<b>8.82</b>	2.3 divided by plan period 2018-2032
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	2.00%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	<b>19.96</b>	3.1 x NA social rented stock (2.2.1)
<b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM</b>		
Overall shortfall (or surplus) per annum	<b>10.78</b>	1.2 + 2.4 - 3.2

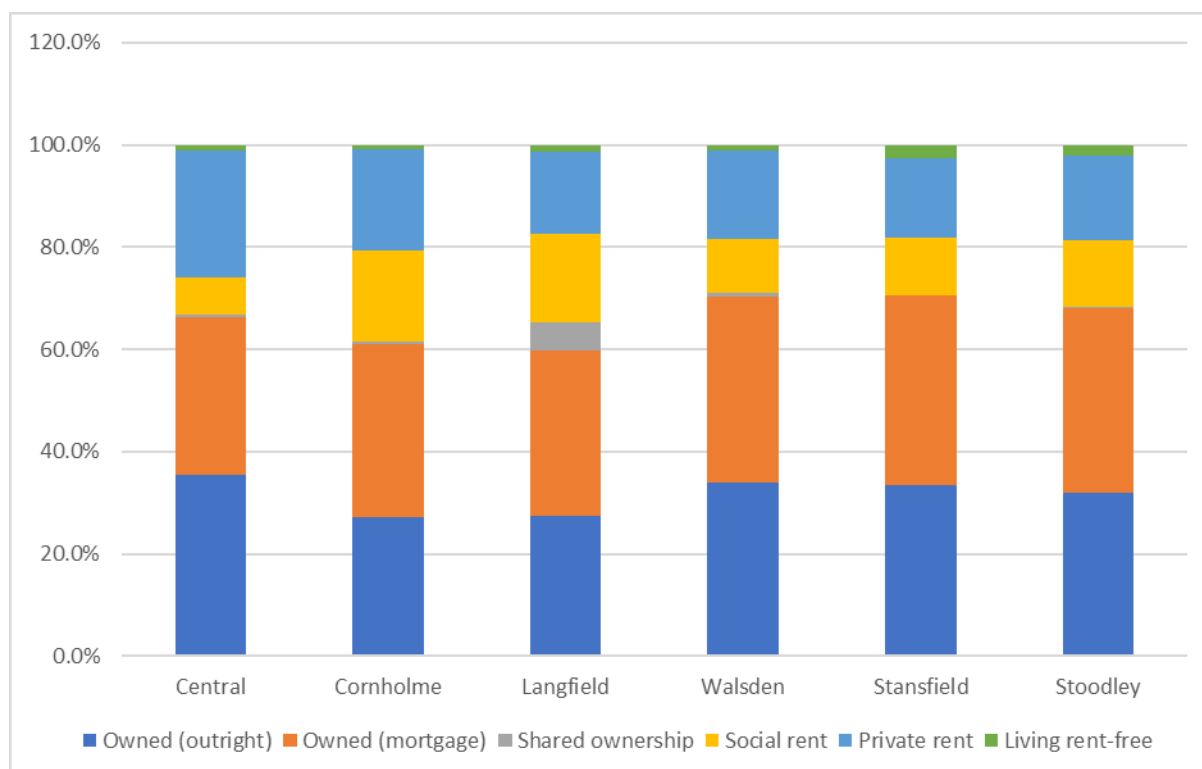


**Table 4-6: Quantity of Need for Affordable Owned Housing**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	1,478.63	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	25.48%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	376.70	1.1 x 1.2
1.4 Current need (households)	826.44	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	<b>59.03</b>	1.4/ plan period
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	812.37	LA household projections for plan period (2014 based) pro-rated to NA
2.2 % of households unable to buy but able to rent	12.09%	Current % of households in PRS
2.3 Total newly arising need	98.20	2.1 x 2.2
2.4 Total newly arising need per annum	<b>7.01</b>	2.3/ plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	69.89	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	<b>3.49</b>	3.1 x 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Shortfall (per annum)	<b>62.55</b>	Shortfall = (Step 1.5 + Step 2.4) – 3.2

81. In terms of the distribution of the affordable housing that is provided in Todmorden over the plan period, it is useful to look at the mix of tenures across each of the sub-areas. It is evident from the chart below that there is a lower proportion of social renting in Central and Walsden, which could be addressed by increasing provision in future. Across Todmorden the private rented sector is utilised to a similar degree. Affordable home ownership products may be popular throughout the area, assuming that some private renters occupy that tenure because they cannot afford to own their own home, rather than by choice.
82. For a more accurate picture of where affordable housing is most urgently needed, data from Calderdale's affordable housing waiting list could be helpful. At the time of writing, this data was not able to be disaggregated by sub-area.

**Figure 4-4-3: Tenure mix across sub-areas, 2011**



83. It is important to realise that these estimates of the quantity of Affordable Housing need are not the same as a Housing Requirement Figure for the Neighbourhood Plan area. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for them to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that need is met to a greater extent if resources permit.
84. These include using community development orders, developing community land trusts, and identifying affordable housing exception sites. Despite the limitations applying to neighbourhood plan-level affordable housing policy, in cases where the demand-side evidence shows a high level of affordable housing need, a neighbourhood plan can be an ideal means of promoting an affordable housing exception site. Note that the separate question of the precise location for the exception site is a matter for the supply-side evidence base, i.e. the Site Assessment process).
85. Entry-level exception sites are defined as sites that provide entry-level homes suitable for first time buyers (or equivalent, for those looking to rent), and are particularly suitable for neighbourhood plan areas where there is evidence of a high level of younger people who are not able to afford homes on the open market. By contrast, rural exception sites are defined by the NPPF as small sites used for affordable housing in perpetuity where sites would not normally be used for housing. They 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. These can usually only be provided in designated rural areas.
86. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

## 4.6 Tenure Split within Affordable Housing

87. In terms of the most appropriate mix of tenures within Affordable Housing, it is important to reference the district's affordable housing policy, as set out in the Local Plan, which puts forward a recommendation of 25% affordable dwellings based on Todmorden's size.
88. In Table 4-7 below, we break down the tenure split into its component parts based on the analysis of affordability thresholds above. It is recommended that for Todmorden around 30% of tenures be available for home ownership

(split between, 10% discounted market sale and 20% shared ownership) and 70% of tenures be available for rent (split between 45% social rent and 25% affordable rent).

89. In the absence of an affordable tenure split prescribed by the Local Plan, this recommendation relies more heavily on our own affordability analysis such as affordability thresholds and the quantity of affordable housing needed. Given that those on lower quartile incomes are the ones who struggle the most, it makes sense to prioritise cheaper forms of tenure such as social and affordable rent (hence the resultant split).
90. While affordable housing calculations might suggest the opposite of this (a ratio of 10.78 to 63.09 rented to owned dwellings was produced), this recommendation could only be applied if the delivery of affordable housing was much greater than current expectations. Those who require homes for affordable rent have much more urgent and challenging needs which should be prioritised.
91. In line with Paragraph 64 of the NPPF, at least 10% of the homes provided in a development<sup>13</sup> should be available for affordable home ownership. As Local Policy and our affordability quantity analysis shows, Todmorden should endeavour to meet this target. Figure 4-4-2 indicates that, lower proportions of shared ownership and more heavily discounted forms of market sale are the most affordable forms of intermediate tenure for those on median incomes. It should be noted, however, that the recommendation here for these shares is only an indication of what would serve the community best, and its deliverability will depend on viability and what providers are able to deliver. The precise ownership share to be offered within shared ownership is not something that it is in the power of neighbourhood planning policies to enforce.

**Table 4-6: Recommended tenure split (Affordable Housing)**

<b>Routes to home ownership, of which</b>	<b>30%</b>
Discounted Market Sale	10%
Shared ownership	20%
<b>Affordable Housing for rent, of which</b>	<b>70%</b>
Social rent	45%
Affordable rent	25%

Source: AECOM calculations

92. This tenure split should be considered a guideline for the ideal mix of tenures to be delivered within the NA. However, it is based upon judgements from various sources of evidence, and does not benefit from detailed local income data and studies of development viability. As such, it will be a useful point of reference when planning applications are considered, but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.
93. Where the neighbourhood planners wish to develop policy that requires a different mix, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.
94. Given that shared ownership is recommended as the most appropriate affordable route to home ownership, it is worth looking at the scheme in more detail. Despite being introduced back in the 1970s, shared ownership has only recently become established. This is due to the scheme being relaunched in recent years with a substantial boost to development from 2009 as private developers sold unsold market homes to registered providers during the financial crisis. As a form of tenure, it is generally more affordable than buying and on a par or cheaper than renting privately – both in the NA and the Country as a whole. Shared ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families. Given that Todmorden is home to these households, shared ownership is likely to be of interest in the NA.
95. It is also popular due to the increased choice, control and security it offers in comparison to other tenures. However, it should be noted that there are some issues with shared ownership which affect its affordability. For example, buyers of shared ownership flats have to pay service charges which are not fixed and can increase unpredictably. Buyers are also responsible for the maintenance of the property, however small their share in the property. Staircasing (buying a greater

<sup>13</sup> The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

share) can also be costly, given that the purchase of the additional share will rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling, meaning that a new shared ownership dwelling is often no more affordable than an existing dwelling offered for market sale. However it is also the case that the new build premium diminishes in importance over time so that buyers of second hand stock in future years are less likely to be affected.

96. Note that the Government is also consulting on First Homes and may require that a substantial proportion of affordable homes are provided as First Homes. The consultation document is consulting on a range of 40, 60 or 80%. The neighbourhood group will need to take account of this emerging policy and how it could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The indicative tenure split above suggests that in order to appropriately meet local need, discounted market sale housing including First Homes could form a valuable part of the tenure mix, serving those earning median incomes.
97. If Government requires 40-80% of all affordable housing delivered through new market led developments as First Homes this would impact on the ability of Todmorden to accommodate those with acute needs within the area (including those in need of affordable housing for rent, if such need arises in future or turnover in the existing stock is lower than what is estimated here). However, the group should note that the First Homes product has not been formally implemented and should monitor the outcomes of the Government consultation closely.

## 4.7 Conclusions - Tenure and Affordability

98. Home ownership is currently the most frequent form of tenure within Todmorden, followed by rented tenures such as social and private rented. Over the intercensal period, the private rental sector has expanded significantly likely due to would-be buyers being priced out of home ownership. Shared Ownership has also grown dramatically, potentially due to being made more widely available by housing associations in new build developments.
99. House prices within Todmorden have increased steadily between 2009 and 2018, with terraced and semi-detached homes seeing the greatest increase in price.
100. In terms of affordability thresholds, average total household for Calderdale is £51,000 and the lower quartile gross household income for the area surrounding Todmorden is £13,961 for single earning households and £27,922 for dual earning households.
101. Comparing these thresholds with the costs associated with each form of tenure reveals that while those on average and dual lower quartile incomes can afford most tenures, those on single lower quartile incomes cannot. In fact currently, no form of tenure is affordable for this income group, meaning that a greater proportion of income (more than 30%) must be spent on housing costs.
102. For this reason, the needs of this group must be prioritised with regards to housing policy. Based on this analysis, it is suggested that for Todmorden, 70% of tenures be affordable rented (split between 25% affordable and 45% social rented) and 30% be affordable owned (split between 10% discounted market sale and 20% shared ownership). It is important to note however that this tenure split should be considered a guideline for the ideal mix of tenures within an NA.
103. Affordable housing calculations reveal that 10.78 dwellings per annum are likely to be needed for affordable rent with Todmorden during the Plan Period while 62.55 dwellings per annum are likely to be needed for affordable home ownership, based on projected need. Assuming that all 390 dwellings are delivered (Todmorden's housing quantity figure), and that all are delivered on sites bringing forward more than 15 dwellings (which is not likely), the maximum provision of affordable housing can be expected to be in the region of 98 dwellings.
104. This quantity of affordable housing does not meet the need identified in the estimates. It is not sufficient to meet the need for affordable rented housing alone, and does not come close to satisfying potential demand for affordable home ownership dwellings. Todmorden is therefore considered to have a relatively acute need for affordable housing that is unlikely to be met through normal channels of delivery. As such, the neighbourhood planners may wish to consider alternative means of delivery, such as allocating a site exclusively for affordable housing or forming a community land trust.
105. Whilst there may be some potential demand for affordable home ownership products, it is difficult to support substantial provision of these homes as most of these households would be able to afford to buy in the open market. There may be some specific products that can be justified, including shared ownership which may extend home ownership to some of the lowest income households and products which support households in saving for a deposit eg rent to buy. Given the Government's recent announcement on the introduction of First Homes (30% discount on

new market homes) it would be worthwhile to keep this product under review for its potential to meet the aspirations of households unable to afford to buy, particularly younger households.

106. It is important to realise that there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for them to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that need is met to a greater extent if resources permit.
107. Table 4-7 below summarises Todmorden's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the precise quantities of affordable housing for rent and sale that would be delivered if the tenure split proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 4-7: Estimated delivery of Affordable Housing in Todmorden**

A	Housing requirement figure	390
B	Affordable housing quota (%) in LPA's Local Plan	25%
C	Potential total Affordable Housing in NA (A x B)	98
D	Rented % (eg social/ affordable rented)	70%
E	Rented number (C x D)	69
F	Discounted market homes % (eg First Homes)	30%
G	Discounted market homes number (C x F)	28

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

## 5. RQ 2: Type and Size

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

### 5.1 Introduction

108. The Todmorden Neighbourhood Plan will need to include policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life.
109. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Todmorden. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the LPA, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of 2032.

### 5.2 Existing types and sizes

#### 5.2.1 Background and definitions

110. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes.
111. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
112. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows<sup>14</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
113. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.<sup>15</sup> As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
114. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."<sup>16</sup> On this basis, where

<sup>14</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>15</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

<sup>16</sup> Ibid.



unrelated *residents* of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

### 5.2.2 Dwelling type

115. Type of housing is primarily a matter of taste, buying power and other factors, rather than strictly a matter of need. It is not usually justified for neighbourhood plans to specify what type of homes should be delivered in policy, although there are arguments for building more bungalows if the older population is projected to increase considerably, and for building flats where there is a need to improve affordability across the housing market.
116. Todmorden is dominated by terraced homes, so there is potential for future development to expand diversity and choice by supplying other types. Todmorden has a lower proportion of flats than the wider district and the country as a whole, so this may offer a gap for new development to fill – and this would also help to provide housing that is more affordable.

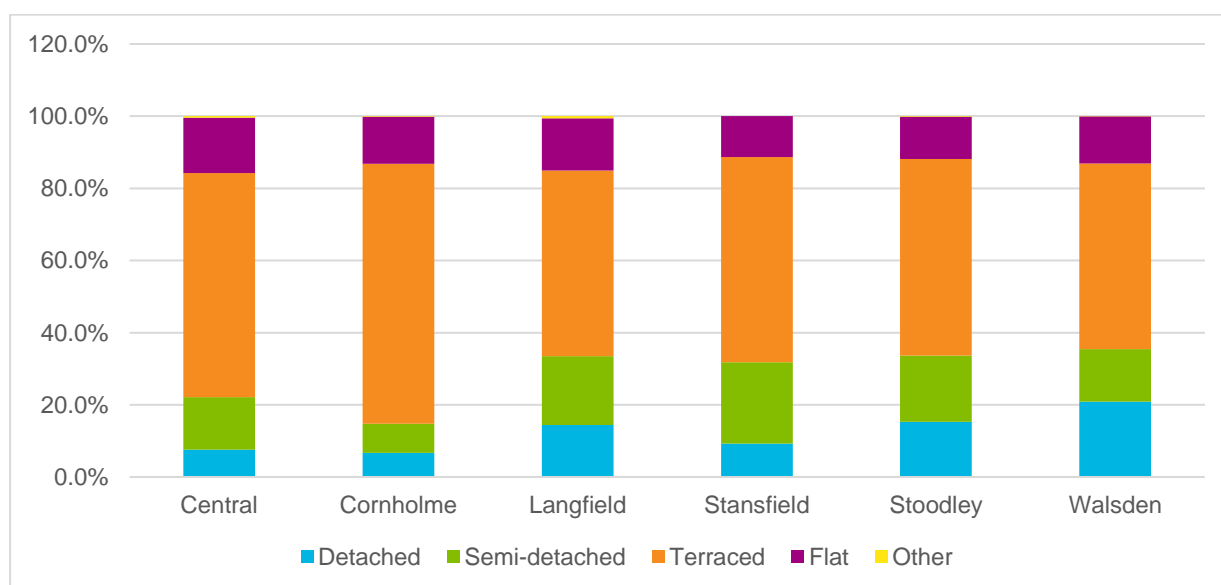
**Table 5-1: Accommodation type (households), Todmorden 2011**

Dwelling type		Todmorden	Calderdale	England
Whole house or bungalow	Detached	14.7%	14.2%	22.4%
	Semi-detached	17.3%	27.4%	31.2%
	Terraced	55.8%	42.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	8.9%	12.8%	16.4%
	Parts of a converted or shared house	2.1%	1.8%	3.8%
	In commercial building	1.1%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

117. The chart below shows the variation of dwelling types across the sub-areas. Again there is not a large degree of variation, but there are subtle differences. Cornholme has the greatest imbalance, with 72% terraces, so efforts to diversify the stock would be particularly welcome there (if topography allows). All sub-areas have a similar undersupply of flats.

**Figure 5-1: Dwelling Type Mix across sub-areas, 2011**



Source: Census 2011, AECOM Calculations

### 5.2.3 Dwelling size

118. Table 5- below sets out the distribution of the number of rooms by household space. The housing stock in Todmorden is largely occupied by medium sized dwellings of 4-6 rooms, a trend also seen at district level.

**Table 5-2: Number of rooms per household in Todmorden, 2011**

Number of Rooms	2011 Todmorden	2011 Calderdale
1 Room	0.2%	0.3%
2 Rooms	1.8%	2.4%
3 Rooms	8.9%	11.3%
4 Rooms	23.6%	24.2%
5 Rooms	27.0%	24.5%
6 Rooms	17.6%	17.5%
7 Rooms	9.1%	8.9%
8 Rooms or more	6.1%	5.6%
9 Rooms or more	5.7%	5.3%

Source: ONS 2011, AECOM Calculations

119. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. Interestingly, the most noticeable change can be seen in the proportion of 3 room homes which has increased by just over 24%, which may indicate that these are the most sought-after size of dwelling in the area or most popular among developers. Also worth noting are the fluctuations in 1 and 8+ room dwellings. While these may seem like substantial changes (a drop of 43% and rise of 27% respectively), these figures are the result of low base figures.

**Table 5-3: Rates of change in number of rooms per household in Todmorden, 2001-2011**

Number of Rooms	Todmorden	Calderdale	England
1 Room	-42.9%	-38.7%	-5.2%
2 Rooms	2.4%	10.4%	24.2%
3 Rooms	24.1%	20.8%	20.4%
4 Rooms	8.1%	4.5%	3.5%
5 Rooms	4.9%	3.7%	-1.8%
6 Rooms	0.7%	4.0%	2.1%
7 Rooms	6.4%	22.3%	17.9%
8 Rooms or more	27.2%	29.8%	29.8%

Source: ONS 2001-2011, AECOM Calculations

120. Returning to the most recent Census data, it is also useful to consider the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. Clearly small to medium sized homes of 2-3 bedrooms tend to dominate the area (making up over 70% of the overall stock), followed by 4-3 bedroom homes. A very similar pattern can be seen within Calderdale as a whole, indicating Todmorden's housing mix is broadly in line with the district's occupation patterns.

**Table 5-4: Number of bedrooms in household spaces in Todmorden, 2011**

Bedrooms	Todmorden		Calderdale		England	
<b>All categories: no. of bedrooms</b>	6,970	100.0%	88,621	100.0%	22,063,368	100.0%
No. bedrooms	15	0.2%	190	0.2%	54,938	0.2%
1 bedroom	659	9.5%	10,771	12.2%	2,593,893	11.8%
2 bedrooms	2,241	32.2%	29,568	33.4%	6,145,083	27.9%
3 bedrooms	2,815	40.4%	33,268	37.5%	9,088,213	41.2%
4 bedrooms	909	13.0%	11,292	12.7%	3,166,531	14.4%
5 or more bedrooms	331	4.7%	3,532	4.0%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

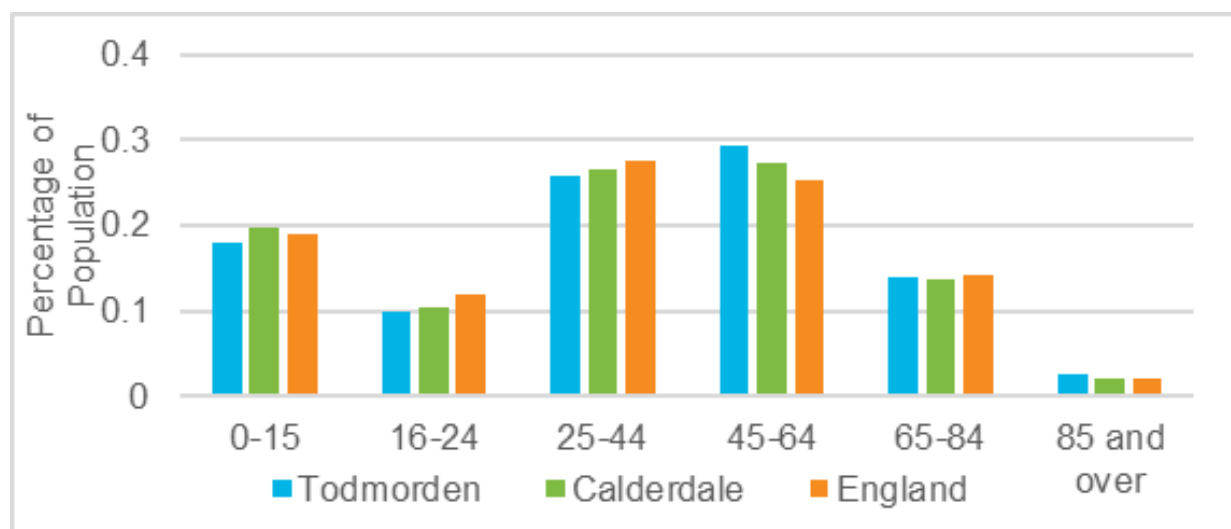
## 5.3 Household composition and age structure

121. Having established the current stock profile of Todmorden and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the anticipated Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

### 5.3.1 Age structure

122. The 2011 Census data reveals that on the whole Todmorden is dominated by two age groups: 25-44 year olds and 45-64 year olds, which account for just over 50% of the population. Todmorden has slightly lower proportions of younger age groups (ages 0-24) and slightly more older age groups (aged 65+) than the district and country (see Figure 5- below).

**Figure 5-2: Age structure in Todmorden, 2011**



Source: ONS 2011, AECOM Calculations

123. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the NA population has expanded moderately in all but two age categories: ages 0-15 and 25-44. The largest jump can be seen in the 85+ age group which has expanded by 34%, greater than both Calderdale and England as a whole.

**Table 5-5: Rate of change in the age structure of Todmorden population, 2001-2011**

Age group	Todmorden	Calderdale	England
0-15	-9.5%	-2.0%	1.2%
16-24	10.2%	17.3%	17.2%
25-44	-4.6%	-3.0%	1.4%
45-64	18.4%	17.5%	15.2%
65-84	3.5%	7.7%	9.1%
85 and over	34.0%	11.8%	23.7%

Source: ONS 2001-2011, AECOM Calculations

### 5.3.2 Household composition

124. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the anticipated Neighbourhood Plan period.
125. In assessing Census data on household composition, Todmorden is very similar to Calderdale, and in fact the country, in that the ratio of single to family households stands at roughly 30:60. Within the NA, one person households tend to be dominated by those under the age of 65 while family households tend to be dominated by those with dependent children. (Table 5-6).

**Table 5-6: Household composition (by household), Todmorden, 2011**

Household composition	Todmorden	Calderdale	England
<b>One person household</b>	<b>Total</b>	34.4%	32.7%
	Aged 65 and over	12.8%	12.6%
	Other	21.6%	20.1%
<b>One family only</b>	<b>Total</b>	59.3%	61.8%
	All aged 65 and over	6.6%	7.4%
	With no children	20.3%	18.7%
	With dependent children	24.8%	27.0%
	All children Non-Dependent <sup>17</sup>	7.6%	8.6%
<b>Other household types</b>	<b>Total</b>	6.3%	5.5%

Source: ONS 2011, AECOM Calculations

126. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Interestingly between 2001 and 2011, the main change in household composition was the significant increase in 'other' one person households i.e. those aged under 65. Family households without children and 'other' household types, for example, houses of multiple occupancy, have also seen an increase during this period.

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

**Table 5-7: Rates of change in household composition, Todmorden, 2001-2011**

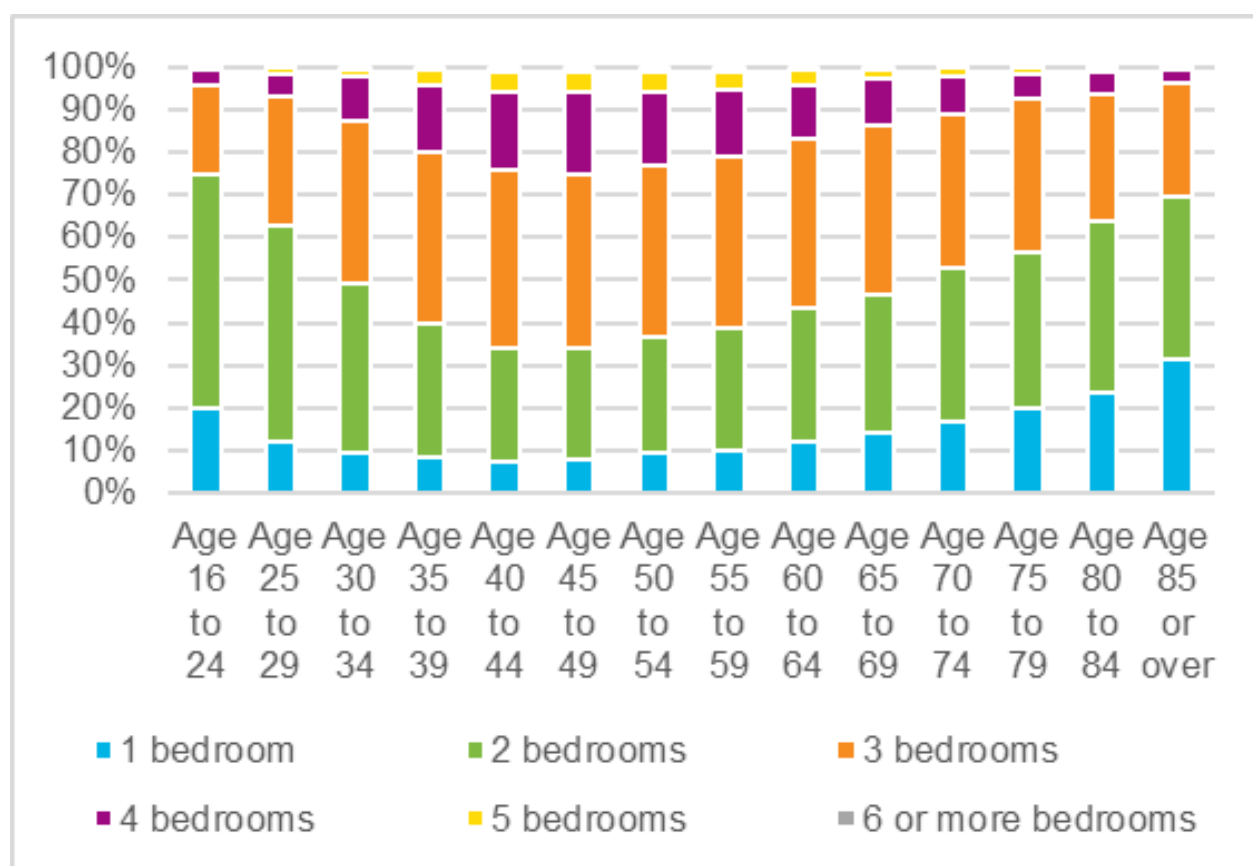
Household type		Percentage change, 2001-2011		
		Todmorden	Calderdale	England
<b>One person household</b>	<b>Total</b>	15.4%	17.7%	8.4%
	Aged 65 and over	-11.7%	-7.5%	-7.3%
	Other	41.0%	42.0%	22.7%
<b>One family only</b>	<b>Total</b>	3.8%	5.6%	5.4%
	All aged 65 and over	-14.2%	-4.4%	-2.0%
	With no children	23.8%	8.8%	7.1%
	With dependent children	-0.9%	5.8%	5.0%
	All children non-dependent	-5.0%	7.5%	10.6%
<b>Other household types</b>	<b>Total</b>	20.3%	9.8%	28.9%

Source: ONS 2001-2011, AECOM Calculations

## 5.4 Dwelling mix determined by life-stage modelling

127. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the anticipated Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
128. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
129. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
130. Figure 5-3 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the anticipated Neighbourhood Plan period.
131. Traditionally, as demonstrated by the u-shaped curve, there is a preference for smaller, affordable dwellings at a younger age, larger 'family-sized' dwellings during middle age and then smaller, more easily maintained dwellings at older age.
132. Data for Calderdale shows that those aged 16 to 34 tend to live in 2 bedroom dwellings, those aged 35 to 69 tend to live in 3 bedroom dwellings and those aged 70+ tend to move back to 2 bedroom dwellings.

Figure 5-3: Age of household reference person by dwelling size in Calderdale, 2011



Source: ONS 2011, AECOM Calculations

133. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2032. Therefore, the distribution of households by the age of the HRP would be in 2032 has been estimated. The data is presented in Table 5-8 below.

Table 5-8: Projected distribution of households by age of HRP, Calderdale

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	3,007	11,758	36,015	15,783	22,058
2014	3,083	11,619	35,098	15,750	25,523
2032	3,216	11,024	36,112	16,516	36,895
2039	3,268	10,792	36,506	16,814	41,317

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

134. It is then necessary to extrapolate from this district-level data an estimate of the corresponding change in the age structure of the population in Todmorden. To do so, the percentage increase expected for each group across Calderdale, derived from the data presented above, is mapped to the population of Todmorden. The results of this calculation are detailed in Table 5-9 below. It is immediately apparent that 65+ age group is set to expand disproportionately to other age categories which will not only have an impact on the housing size distribution but also the balance of the neighbourhood demographic as a whole.



**Table 5-9: Projected distribution of households by age of HRP, Todmorden**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	216	805	2,885	1,367	1,697
2014	221	796	2,812	1,364	1,964
2032	231	755	2,893	1,430	2,838
% change 2011-2032	7%	-6%	0%	5%	67%

Source: AECOM Calculations

135. T Table 5-1 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Todmorden by the end of the anticipated plan period.

**Table 5-10: Age of household reference person to size, grouped, Calderdale, Census 2011**

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	19.7%	10.5%	8.3%	11.0%	20.0%
2 bedrooms	55.2%	44.5%	27.7%	30.1%	36.1%
3 bedrooms	20.8%	34.7%	40.7%	39.9%	34.4%
4 bedrooms	3.4%	8.2%	17.6%	14.2%	7.5%
5+ bedrooms	0.8%	2.1%	5.7%	4.8%	2.0%

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

136. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Calderdale and Todmorden falling into each of these stages by the end of 2032, it is possible to estimate how the housing stock might evolve in terms of size over the anticipated Neighbourhood Plan period in response to demographic change (see Table 5- below).
137. The table takes in turn each projected age group in 2032, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

**Table 5-11: Likely dwelling size distribution in Todmorden by the end of the anticipated Plan period, based on modelled household life-stages (totals may not sum due to rounding)**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2032	231	755	2,893	1,430	2,838	-
1 bedroom	46	80	240	158	566	1,089
2 bedrooms	128	336	800	431	1,026	2,720
3 bedrooms	48	262	1,177	571	978	3,036
4 bedrooms	8	62	510	203	212	994
5+ bedrooms	2	16	166	68	57	309

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

138. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5- above modelling the change in the age structure of the population in Todmorden.

139. Table 5-12 below indicates that, by 2032, the size distribution of dwellings will be weighted more towards the smaller two and three bedroom dwellings than the current stock provides.

**Table 5-12: 2011 housing sizes compared to likely distribution at end of the anticipated Plan period, Todmorden**

Number of bedrooms	2011		2032	
1 bedroom	659	9.5%	1,089	13.4%
2 bedrooms	2,241	32.2%	2,720	33.4%
3 bedrooms	2,815	40.4%	3,036	37.3%
4 bedrooms	909	13.0%	994	12.2%
5 or more bedrooms	331	4.7%	309	3.8%
Total households	<b>6,970</b>	<b>100.0%</b>	<b>8,147</b>	<b>100.0%</b>

Source: Census 2011, AECOM Calculations

140. Table 5-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

**Table 5-13: Future potential misalignments of supply and demand for housing, Todmorden**

Number of bedrooms	2011	2032	Change to housing mix	Recommended split
1 bedroom	659	1,089	430	35.4%
2 bedrooms	2,241	2,720	479	39.4%
3 bedrooms	2,815	3,036	221	18.2%
4 bedrooms	909	994	85	7.0%
5 or more bedrooms	331	309	-22	0.0%

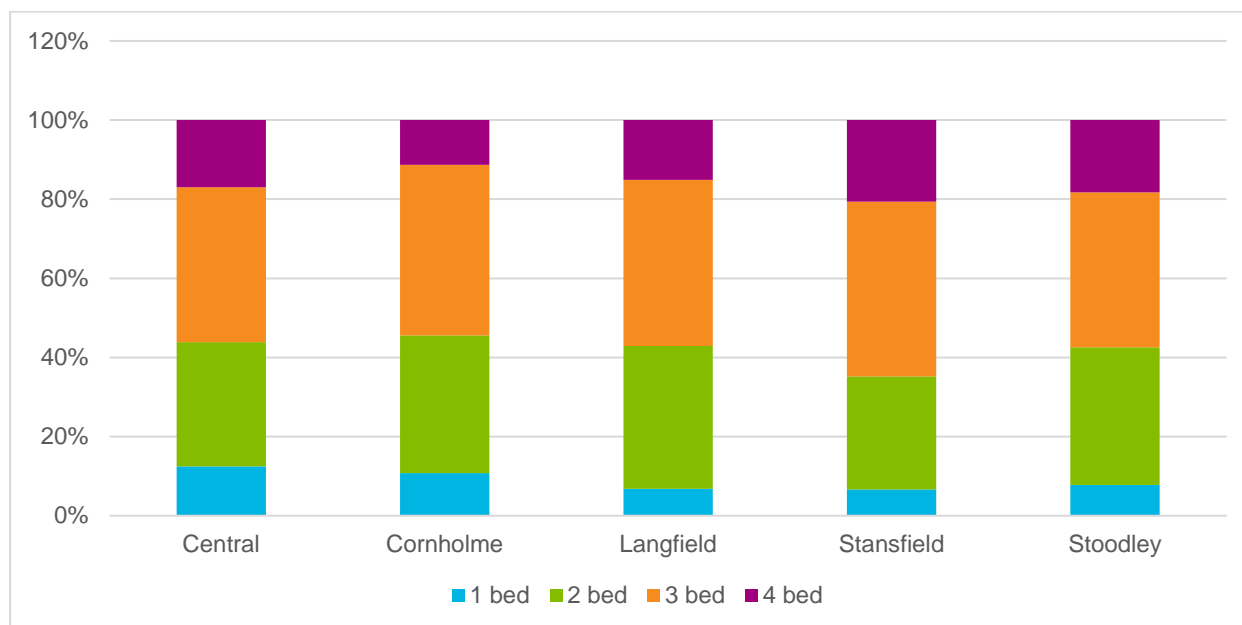
Source: AECOM Calculations

141. Note that the changes to the housing mix given above for five-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with 5 or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. However the subdivision of larger dwellings could be encouraged through policy as another means of enabling a shift towards smaller dwelling types.
142. Note also that only the percentage mix is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the anticipated Plan period, and could equally apply to windfall development, allocations beyond 2032, or any other source of housing supply.
143. The result of this life-stage modelling exercise is that, in terms of demographic change, new development should supply the following share of dwelling sizes: 35.4% as 1 bedroom, 39.4% as two bedrooms, 18.2% as three bedrooms, 7% as four bedrooms and 0% as 5 or more bedrooms.
144. This ideal dwelling mix should be applied with a high degree of flexibility because it may not be reasonable in practice to so severely limit the provision of dwellings with five or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the newly merged district as a whole.
145. There may also be cause to depart from the indicative dwelling size mix according to factors existing at sub-area geographies. The chart below shows how the 2011 mix of dwelling sizes varies across the sub-areas within Todmorden. There is not a large degree of variation between them. However, Langfield and Stansfield have the lowest proportions of smaller homes. In order to increase diversity there, supplying more of them could be beneficial.

Cornholme has the lowest proportion of large houses, so the overall mix recommendation should apply less stringently there to allow for more larger homes to come forward.

146. Because this is not an exact science it is not considered robust to give a specific target size mix in percentage terms for each sub-area.

**Figure 5-1: Dwelling size mix across sub-areas, 2011**



Source: 2011 Census, AECOM Calculations

## 5.5 Conclusions- Type and Size

147. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
148. With regards to housing type, Todmorden is largely characterized by the predominance of terraced homes. Based on this, there is potential for future developments to expand into other types such as detached homes, semi-detached homes and perhaps even flats and bungalows if these were deemed appropriate. Given that Todmorden has an ageing population coupled with affordability issues for those on smaller incomes, this may be reason to increase the provision of cheaper dwelling types such as flats and bungalows.
149. At present, dwellings in the NA tend to be small to medium sized homes of 4-6 rooms (or 2-3 bedrooms). Over the intercensal period there have been fluctuations amongst other sizes of dwelling, including marked increases in 3-4 room dwellings and 7-8 room dwellings, indicating a preference for these sizes.
150. Todmorden's age structure and household composition are broadly in line with its wider geographies and tend to be dominated by families middle aged groups i.e. 25-64. Over the intercensal period the elderly age group in particular (those 85+) has grown significantly. With this trend continuing over the Plan Period, it is advisable to adjust future developments accordingly, building either smaller homes or homes that may be adapted for elderly use.
151. A life-stage modelling exercise mirrors these earlier findings and shows that, in terms of demographic change, new development should include 35.4% 1 bedroom, 39.4% 2 bedroom, 18.2% 3 bedroom and 7% 4 bedroom dwellings, with no further dwellings of 5 or more bedrooms provided since these already predominate in the existing stock.
152. This ideal dwelling mix should be applied with a high degree of flexibility because it may not be reasonable in practice to so severely limit the provision of dwellings with 5 or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the

preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the district as a whole.

153. The housing mix supplied in each of the sub-areas should have regard to the existing housing stock. There is a moderate degree of need to diversify away from present imbalances in particular sub-areas. This is more the case for dwelling types than for sizes.
154. As evidenced within the Tenure chapter, the number of households renting privately has risen significantly between the two censuses. This increase likely reflects the growing number of households unable to get on the housing ladder. Developing smaller, cheaper homes therefore may be a way to help combat this issue.

## 6. Conclusions

### 6.1 Overview

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

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

Issue	Conclusions and recommendations												
Housing tenure and affordability	<ul style="list-style-type: none"><li>• Home ownership is currently the most frequent form of tenure within Todmorden, followed by rented tenures such as social and private rented. Over the intercensal period, the private rental sector has expanded significantly likely due to would-be buyers being priced out of home ownership. Shared Ownership has also grown dramatically, potentially due to being made more widely available by housing associations in new build developments.</li><li>• House prices within Todmorden have increased steadily between 2009 and 2018, with terraced and semi-detached homes seeing the greatest increase in price.</li><li>• In terms of affordability thresholds, average total household for Calderdale is £51,000 and the lower quartile gross household income for the area surrounding Todmorden is £13,961 for single earning households and £27,922 for dual earning households.</li><li>• Comparing these thresholds with the costs associated with each form of tenure reveals that while those on average and dual lower quartile incomes can afford most tenures, those on single lower quartile incomes cannot. In fact currently, no form of tenure is affordable for this income group, meaning that a greater proportion of income (more than 30%) must be spent on housing costs.</li><li>• For this reason, the needs of this group must be prioritised with regards to housing policy. Based on this analysis, it is suggested that for Todmorden, 70% of tenures be affordable rented (split between 25% affordable and 45% social rented) and 30% be affordable owned (split between 10% discounted market sale and 20% shared ownership). It is important to note however that this tenure split should be considered a guideline for the ideal mix of tenures within an NA.</li></ul>												
	Table 4-6: Recommended tenure split (Affordable Housing)												
	<table><tr><td>Routes to home ownership, of which</td><td>30%</td></tr><tr><td>Discounted Market Sale</td><td>10%</td></tr><tr><td>Shared ownership</td><td>20%</td></tr><tr><td>Affordable Housing for rent, of which</td><td>70%</td></tr><tr><td>Social rent</td><td>45%</td></tr><tr><td>Affordable rent</td><td>25%</td></tr></table>	Routes to home ownership, of which	30%	Discounted Market Sale	10%	Shared ownership	20%	Affordable Housing for rent, of which	70%	Social rent	45%	Affordable rent	25%
	Routes to home ownership, of which	30%											
	Discounted Market Sale	10%											
	Shared ownership	20%											
	Affordable Housing for rent, of which	70%											
	Social rent	45%											
	Affordable rent	25%											
	Source: AECOM calculations												
<ul style="list-style-type: none"><li>• Affordable housing calculations reveal that 10.78 dwellings per annum are likely to be needed for affordable rent with Todmorden during the Plan Period while 62.55 dwellings per annum are likely to be needed for affordable home ownership, based on projected need. Assuming that all 390 dwellings are delivered (Todmorden’s housing quantity figure), and that all are delivered on sites bringing forward more than 15 dwellings (which is not likely), the maximum provision of affordable housing can be expected to be in the region of 98 dwellings.</li><li>• This quantity of affordable housing does not meet the need identified in the estimates. It is not sufficient to meet the need for affordable rented housing alone, and does not come close to satisfying potential demand for affordable home ownership dwellings. Todmorden is therefore considered to have a relatively acute need for affordable housing that is unlikely to be met through normal channels of delivery. As such, the neighbourhood planners may wish to consider alternative means of delivery, such as allocating a site exclusively for affordable housing or forming a community land trust.</li><li>• Whilst there may be some potential demand for affordable home ownership products, it is difficult to support substantial provision of these homes as most of these households would be able to afford to buy in the open market. There may be some specific products that can be justified, including shared ownership which may extend home ownership to some of the lowest income households and products which support households in saving for a deposit eg rent to buy. Given the Government’s recent announcement on the introduction of First Homes (30% discount on new market homes) it</li></ul>													

	<p>would be worthwhile to keep this product under review for its potential to meet the aspirations of households unable to afford to buy, particularly younger households.</p> <ul style="list-style-type: none"><li>It is important to realise that there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for them to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that need is met to a greater extent if resources permit.</li></ul>																														
Housing type and size	<ul style="list-style-type: none"><li>This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.</li><li>With regards to housing type, Todmorden is largely characterized by the predominance of terraced homes. Based on this, there is potential for future developments to expand into other types such as detached homes, semi-detached homes and perhaps even flats and bungalows if these were deemed appropriate. Given that Todmorden has an ageing population coupled with affordability issues for those on smaller incomes, this may be reason to increase the provision of cheaper dwelling types such as flats and bungalows.</li><li>At present, dwellings in the NA tend to be small to medium sized homes of 4-6 rooms (or 2-3 bedrooms). Over the intercensal period there have been fluctuations amongst other sizes of dwelling, including marked increases in 3-4 room dwellings and 7-8 room dwellings, indicating a preference for these sizes.</li><li>Todmorden's age structure and household composition are broadly in line with its wider geographies and tend to be dominated by families middle aged groups i.e. 25-64. Over the intercensal period the elderly age group in particular (those 85+) has grown significantly. With this trend continuing over the Plan Period, it is advisable to adjust future developments accordingly, building either smaller homes or homes that may be adapted for elderly use.</li><li>A life-stage modelling exercise mirrors these earlier findings and shows that, in terms of demographic change, new development should include 35.4% 1 bedroom, 39.4% 2 bedroom, 18.2% 3 bedroom and 7% 4 bedroom dwellings, with no further dwellings of 5 or more bedrooms provided since these already predominate in the existing stock.</li></ul> <p><b>Table 5-13: Future potential misalignments of supply and demand for housing, Todmorden</b></p> <table><tr><th>Number of bedrooms</th><th>2011</th><th>2032</th><th>Change to housing mix</th><th>Recommended split</th></tr><tr><td>1 bedroom</td><td>659</td><td>1,089</td><td>430</td><td>35.4%</td></tr><tr><td>2 bedrooms</td><td>2,241</td><td>2,720</td><td>479</td><td>39.4%</td></tr><tr><td>3 bedrooms</td><td>2,815</td><td>3,036</td><td>221</td><td>18.2%</td></tr><tr><td>4 bedrooms</td><td>909</td><td>994</td><td>85</td><td>7.0%</td></tr><tr><td>5 or more bedrooms</td><td>331</td><td>309</td><td>-22</td><td>0.0%</td></tr></table> <p>Source: AECOM Calculations</p> <ul style="list-style-type: none"><li>This ideal dwelling mix should be applied with a high degree of flexibility because it may not be reasonable in practice to so severely limit the provision of dwellings with 5 or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the district as a whole.</li><li>The housing mix supplied in each of the sub-areas should have regard to the existing housing stock. There is a moderate degree of need to diversify away from present imbalances in particular sub-areas. This is more the case for dwelling types than for sizes.</li><li>As evidenced within the Tenure chapter, the number of households renting privately has risen significantly between the two censuses. This increase likely reflects the growing number of households unable to get on the housing ladder. Developing smaller, cheaper homes therefore may be a way to help combat this issue.</li></ul>	Number of bedrooms	2011	2032	Change to housing mix	Recommended split	1 bedroom	659	1,089	430	35.4%	2 bedrooms	2,241	2,720	479	39.4%	3 bedrooms	2,815	3,036	221	18.2%	4 bedrooms	909	994	85	7.0%	5 or more bedrooms	331	309	-22	0.0%
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## 6.2 Recommendations for next steps

156. This Neighbourhood Plan housing needs assessment aims to provide Todmorden 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 Calderdale with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and 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 Calderdale – in particular in relation to the quantity of housing that should be planned for;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents;
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Calderdale, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
  - The recommendations and findings of this study; and
  - The impact of the Government's Standard Methodology on calculating housing need for Calderdale and the neighbourhood plan areas within it.
157. 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.
158. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Calderdale or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
159. At the same time, monitoring on-going demographic or other trends over the anticipated Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.



## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

160. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
161. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Todmorden, it is considered that MSOA Calderdale 013 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of Calderdale 013 appears below in Figure 6-1.

**Figure 6-1: MSOA Calderdale 013 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

162. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
163. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
164. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
165. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.



## i) Market sales

166. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
167. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Todmorden. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
168. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.<sup>18</sup> The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.
169. The calculation is therefore:
- Value of an 'entry level dwelling' = £85,000;
  - Purchase deposit = £8,500 @10% of value;
  - Value of dwelling for mortgage purposes = £76,500;
  - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
  - **Purchase threshold = £21,857.**

## ii) Private Rented Sector (PRS)

170. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.
171. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>19</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).
172. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area.
173. According to [home.co.uk](https://www.home.co.uk), there are 4 two-bed properties currently listed for rent across Todmorden, with an average price of £530 per calendar month.
174. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £748 x 12 = £6,360;
  - Divided by 3 and multiplied by 10 (so that no more than 30% of income is spent on rent) = £ 21,200
  - **Income threshold (private rental sector) = £ 21,200**
175. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

## A.3 Affordable Housing

176. There are a range of tenures that constitute the definition of Affordable Housing within the 2018 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.

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<sup>18</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>19</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

177. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

178. We consider each of the affordable housing tenures in turn.

### i) Social rent

179. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual 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 low incomes and is subject to strict eligibility criteria.

180. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Todmorden. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Calderdale in the table below.

181. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Gross Rent	£78.31	£84.79	£91.82	£104.31	£84.12
Unit Count	5,374	3,643	2,750	278	12,171
Annual average	<b>£4,072</b>	<b>£4,409</b>	<b>£4,775</b>	<b>£5,424</b>	<b>£4,374</b>
Income needed	<b>£16,288</b>	<b>£17,636</b>	<b>£19,099</b>	<b>£21,696</b>	<b>£17,497</b>

Source: Homes England, AECOM Calculations

### ii) Affordable rent

182. 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). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs 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%.

183. To determine affordable rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Todmorden. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Calderdale in the table below.

**Table A-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Gross Rent	£78.01	£90.17	£104.43	£115.03	£95.68
Unit Count	76	234	273	12	2,747
Annual average	<b>£4,057</b>	<b>£4,689</b>	<b>£5,430</b>	<b>£5,982</b>	<b>£4,975</b>
Income needed	<b>£16,226</b>	<b>£18,755</b>	<b>£21,721</b>	<b>£23,926</b>	<b>£19,901</b>

### iii) Intermediate tenures

184. Intermediate housing includes 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. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

### Shared ownership

185. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
186. 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.
187. To determine the affordability of shared ownership, calculations are based on the median house price of £130,000.<sup>20</sup> 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 income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
188. In this case, a 25% equity share of £130,000 is £32,500, from which a 10% deposit of £3,250 is deducted. The mortgage value of £29,250 (£32,500 - £3,250) is then divided by 3.5. To secure a mortgage of £29,250, an annual income of £8,357 (£29,250/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £97,500. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £2,438 and requires an income of £8,125 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around £16,482 (£8,357 + £8,125) is required to afford a 25% shared equity purchase of an entry-level home. The corresponding values for 50% and 75% equity shares are shown in the table below.

**Table A-3: Shared Ownership Equity Values**

Shared Ownership	25%	50%	75%
<b>Median House Price</b>	£130,000	£130,000	£130,000
<b>Equity</b>	£32,500	£65,000	£97,500
<b>10% deposit</b>	£3,250	£6,500	£9,750
<b>Mortgage value</b>	£29,250	£58,500	£87,750
<b>Purchase income required</b>	<b>£8,357</b>	<b>£16,714</b>	<b>£25,071</b>
<b>Unsold value</b>	£97,500	£65,000	£32,500
<b>2.5% rent</b>	£2,438	£1,625	£813
<b>Rental income required</b>	<b>£8,125.00</b>	<b>£5,416.67</b>	<b>£2,708.33</b>
<b>Total income required</b>	<b>£16,482</b>	<b>£22,131</b>	<b>£27,780</b>

<sup>20</sup> It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

## Appendix B : Housing Needs Assessment Glossary

### Adoption

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

### Affordability

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

### Affordability Ratio

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

### Affordable Housing (NPPF Definition)

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

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

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

### Affordable rented housing

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

### Age-Restricted General Market Housing

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

### Annual Monitoring Report

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

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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

### **Bedroom Standard<sup>22</sup>**

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

### **Co-living**

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

### **Community Led Housing/Community Land Trusts**

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

### **Community Right to Build Order<sup>23</sup>**

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

### **Concealed Families (Census definition)<sup>24</sup>**

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

### **Equity Loans/Shared Equity**

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

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

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

<sup>24</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

### **Extra Care Housing or Housing-With-Care**

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

### **Fair Share**

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

### **Habitable Rooms**

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

### **Household Reference Person (HRP)**

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

### **Housing Market Area**

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

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

### **Housing Needs**

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

### **Housing Needs Assessment**

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

### **Housing Products**

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

### **Housing Size (Census Definition)**

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

### **Housing Type (Census Definition)**

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

### **Housing Tenure (Census Definition)**

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

### **Income Threshold**

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

### **Intercensal Period**

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

### **Intermediate Housing**

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

### **Life Stage modelling**

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

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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



### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>25</sup>, 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 the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

### **Output Area/Lower Super Output Area/Middle Super Output Area**

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

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

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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

## **Residential Care Homes and Nursing Homes**

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>26</sup>**

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

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

wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment**

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

### **Strategic Housing Market Assessment (NPPF Definition)**

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

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

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

