

**Report to:**

**Uttlesford  
District Council**

**Local Housing  
Needs Assessment**

Report to Inform  
Regulation 19 Consultation

June 2024



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## Summary

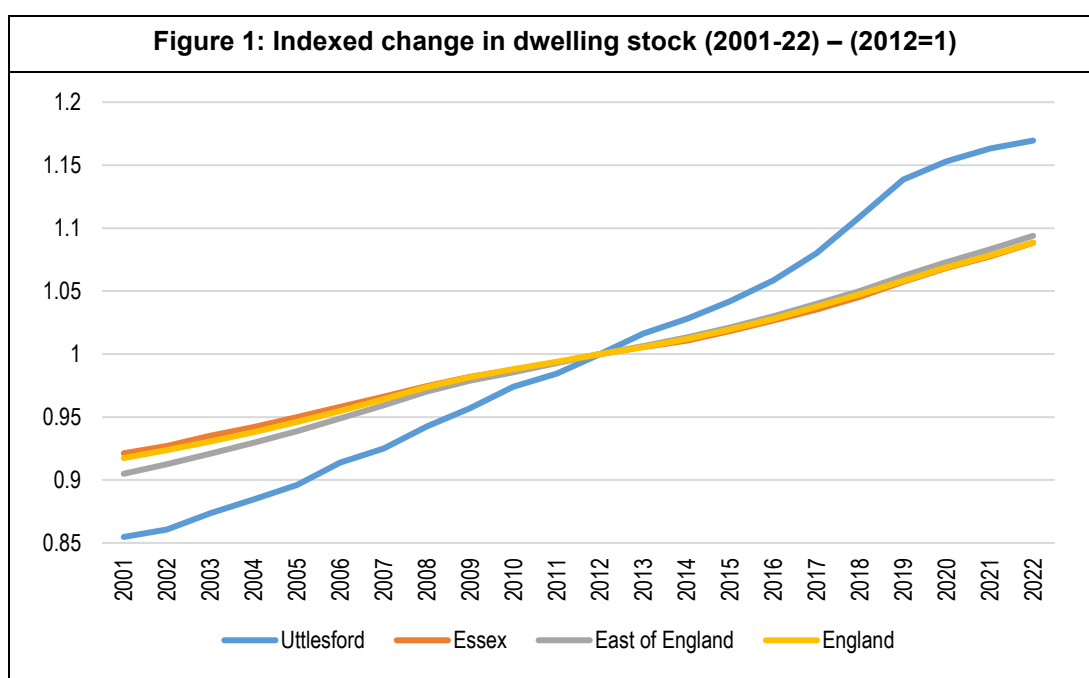
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### Background

1. This report provides an updated Local Housing Needs Assessment (LHNA) for Uttlesford District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
2. The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
3. To understand the area, an initial phase of work was carried out to talk with key players in the housing market (including estate and letting agents). From this, agents noted the private rented sector in Uttlesford, like most other parts of the country, cannot deliver the supply needed and that this is particularly acute in Uttlesford due to the scale of out-migration from London.
4. It was noted that whilst Stansted Airport is a major employer and significant contributor to the local economy, its impact on Uttlesford's housing market is limited to the Great Dunmow area and its impact would appear to be greater in Bishop's Stortford, Harlow, and more southern towns along the M11 corridor.
5. Finally, both registered providers and the County Council highlighted delivery of extra-care housing for older people as a particular issue and this is picked up later in this report.
6. Overall, the report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
  - Section 2 – Area Profile;
  - Section 3 – Overall Housing Need;
  - Section 4 – Affordable Housing Need;
  - Section 5 – Housing Mix;
  - Section 6 – Older and Disabled People; and
  - Section 7 – Self- and Custom Build Housing.

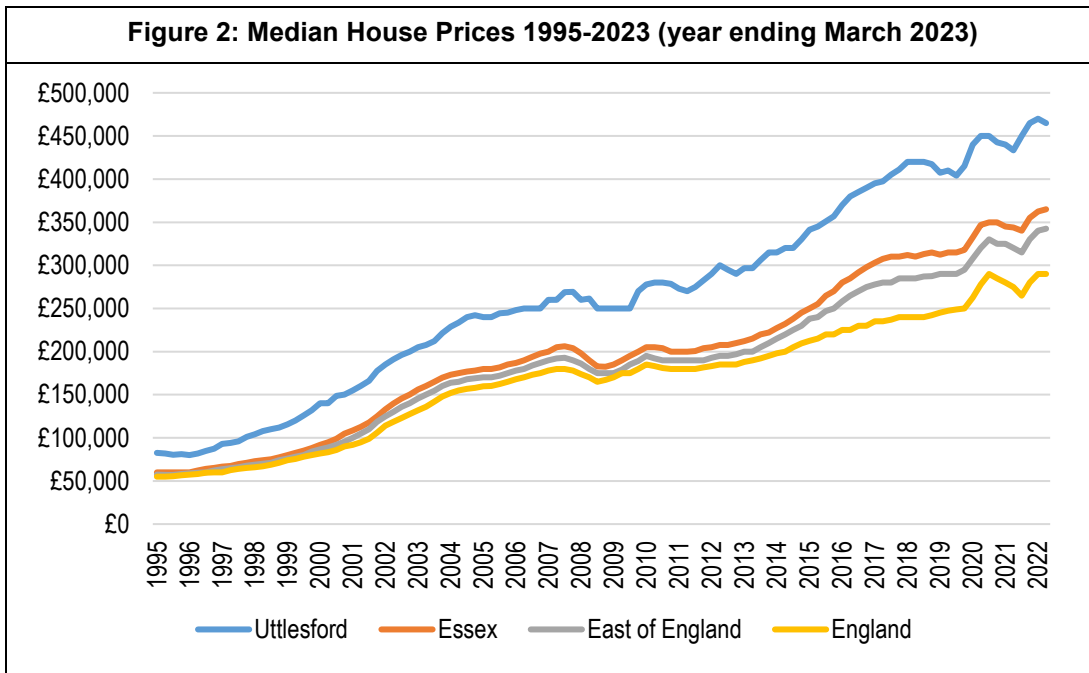
## Area Profile

7. Analysis was carried out to provide background information about population and housing in Uttlesford. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
  - Demographic baseline (including data on population age structure and changes)
  - Housing stock (including type and tenure)
  - Housing market (including data on house prices)
8. As of mid-2022, the population of Uttlesford is 92,600 and since 2012 the District's population has grown by around 14% which is a much faster rate of growth than across Essex, the East of England region and nationally. The District also saw fast population growth in the 2002-2012 period.
9. The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions in their 50s. Over the past decade, the District has seen an ageing of the population, with the number of people aged 65 and over increasing by 32%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
10. Population growth in the District is largely driven by internal migration – moves from one part of the UK to another, although there are also modest positive levels of natural change (births minus deaths) and international migration (although international migration was negative between 2017 and 2021).
11. ONS dwelling stock data indicates there were 39,000 dwellings in the District as of 2022, a net increase of 5,700 dwellings between 2012 and 2022. As with population growth, rates of change in dwelling numbers have been in excess of that seen in other areas, going back at least until 2001. Although Uttlesford has seen strong growth in the number of dwellings, the actual increase in the 2012-22 period is lower than many other areas – Uttlesford saw the 16<sup>th</sup> strongest growth of all local authorities in the East of England region and had lower growth than some other Essex authorities (Chelmsford, Colchester and Tendring).



Source: DLUHC (Live Table 125)

12. Some 72% of all households in the District are owner-occupiers, notably higher than the national average of 62% (and higher than other benchmark areas), consequently the proportion of households living in the social rented (13%) and private rented (15%) sectors is lower than seen in other locations.
13. The housing stock is dominated by detached homes, making up 42% of all dwellings (23% nationally) and related to this the stock is generally larger in nature, with around 38% having 4+ bedrooms. Again linked to this, the District sees high levels of under-occupancy, with nearly half of all households living in homes with at least two spare bedrooms. Levels of overcrowding are very low – at just 1.4% of all households.
14. In the year to March 2023 the median house price in Uttlesford was £465,000. This is significantly above the median house price for comparator areas, and is 60% above the national average. Prices have also been increasing significantly, rising by 55% (£165,000) over the decade to March 2023. Over the past five years price rises have been more modest, increasing by 17%. When looking at median prices by property type, Uttlesford also typically sees higher prices for different types of property than Essex, the East of England region and England as a whole.



Source: ONS Small Area House Price Statistics

15. As well as higher house prices, the District typically sees higher private rental costs, with the median private rent for a 2-bedroom home standing at £1,000 per month in the year to September 2023. Rents overall are around 29% above the national average (compared with 60% when looking at median house prices). Over the past five years rents have increased by around 16%, similar to the increase in house prices over the same period.
16. In line with national trends, the affordability ratio in the District has generally increased over time with the workplace based median affordability ratio in Uttlesford standing at 12.18 in 2023 (although this was a reduction from 13.85 in 2022) – these figures are based on the ratio between median house prices and full-time earnings.
17. Overall, the data points to Uttlesford as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The District also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and levels of delivery above other areas.
18. That said, there are clearly issues suggested by the data. The house price to income ratio is high, pointing to potential difficulties in first-time-buyers (in particular) accessing the market – private rents are also high. At the same time, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.

## Overall Housing Need

19. The LHNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 675 dwellings per annum. This is based on household growth of 482 per annum and a (capped) uplift for affordability of 40%.



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20. The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF December 2023 which sees some strengthening of the encouragement for local authorities to consider exceptional circumstances.
  21. Firstly, the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Uttlesford, the revisions were very minor and unlikely to have any notable impact on the projections.
  22. The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend (sources showing both higher and lower population estimates than had previously been projected and this did not point to any exceptional circumstances).
  23. Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable.
  24. A final demographic analysis considered more recent trends to 2023 and also the implications of the latest (2021-based) national population projections. Again, neither of these sources pointed to there being anything ‘exceptional’ in Uttlesford.
  25. Past build rates were also considered as areas with strong growth might be able to provide more homes than the Standard Method (also high delivery might point to an over-supply of housing). In Uttlesford, whilst delivery has been strong, averaging 540 dwellings per annum over the past decade) it is again not considered that this provides any evidence to suggest a higher or lower figure than the Standard Method.
  26. Overall, it was therefore concluded in demographic terms that the Standard Method is a reasonable assessment of housing need for Uttlesford (noting the premise of the method itself has not been challenged in this report). The new Local Plan is due to have a plan period of 2021-41 which leads to an overall need for 13,500 dwellings (675×20). Between 2021 and 2024, there were a total of 1,802 net completions, leaving 11,698 to be provided to meet the calculated need (at a rate of 688 per annum).
  27. On that basis a bespoke demographic projection was developed to look at how the population might change if 688 homes per annum were delivered over the period to 2041 (from 2024). This showed continued strong population growth and an ageing of the population, although notable growth in the number of children and those of ‘working-age’ is also projected.

<b>Figure 3: Population change 2024 to 2041 by broad age bands – Uttlesford (linked to Standard Method)</b>				
	2024	2041	Change in population	% change from 2024
Under 16	16,856	19,864	3,008	17.8%
16-64	57,421	68,454	11,033	19.2%
65 and over	20,343	30,664	10,321	50.7%
Total	94,621	118,983	24,362	25.7%

Source: Demographic Modelling

28. As a final test on exceptional circumstances, the Standard Method projection was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported. Overall, it was projected the labour supply would increase by around 25% over the 2024-41 period and that this could support around 13,000-14,200 additional jobs – this is higher than the job growth forecast by the 2023 Employment Need Assessment (10,600 additional jobs in the 2022-41 period) and therefore does not point to a need to plan for housing in addition to the Standard Method.

### Affordable Housing Need

29. Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy OR rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
30. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
31. When looking at needs from households unable to buy OR rent, the analysis suggests a need for 287 affordable homes per annum across the District.

<b>Figure 4: Estimated Need for Social/Affordable Rented Housing (per annum)</b>	
	Per annum
Current need	43
Newly forming house-holds	298
Existing house-holds falling into need	52
Total Gross Need	393
Relet Supply	106
Net Need	287

Source: Affordable Needs Modelling (see Section 4)

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32. Despite the level of need being high in relation to the Standard Method, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home) – indeed removing households from the modelling who are already in accommodation reduces the need to 221 per annum. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
33. The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
34. When looking at AHO products, the analysis is inconclusive about the scale of the need, although the evidence does suggest that there are many households in Uttlesford who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
35. The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
36. However, given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
37. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
38. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

## Housing Mix

39. Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Uttlesford is fairly high with around 31% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
40. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. An analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which in Uttlesford is notable in the market sector). Our recommended mix is set out below:

<b>Figure 5: Suggested size mix of housing by tenure – Uttlesford</b>				
	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	25%	20%	25%	40%
2-bedrooms		45%	30%	60%
3-bedrooms	35%	35%		
4+-bedrooms		30%	10%	

Source: Housing Market Model (see Section 5)

41. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
42. The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.
43. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

44. Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

## Older and Disabled People

45. A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
46. The data shows that Uttlesford has a very slightly older age structure and notably lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (74% of all older person households are outright owners).
47. The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2024-41 period include:
- A 51% increase in the population aged 65+ (potentially accounting for 42% of total population growth);
  - A 71% increase in the number of people aged 65+ with dementia and a 63% increase in those aged 65+ with mobility problems;
  - A need for around 800 housing units with support (sheltered/retirement housing) – around 90% in the market sector;
  - A need for around 500 additional housing units with care (e.g. extra-care) – the majority (around 85%) in the market sector;
  - A need for additional nursing and residential care bedspaces (around 600 in the period and mainly for nursing care); and
  - a need for over 300 dwellings to be for wheelchair users (meeting technical standard M4(3)).
48. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around 10% in the affordable sector).

49. Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
50. In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

## **Self- and Custom Build Housing**

51. As of 1<sup>st</sup> April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
52. The Uttlesford Local Plan (January 2005) was adopted before the Uttlesford Self and Custom Build register was set up. Therefore, there are no policies that specifically refer to self and custom build. However, though there is no reference to self and custom building within the supporting text, Policy H3 – New Homes within Development supports the principle to develop Self-Build plots as windfall sites, within the defined development boundaries and on land allocated to housing.
53. Data from the Council suggests that the demand has successfully been met with enough suitable permissions before the relevant deadlines although the supply will need to be investigated further in light of the Levelling Up and Regeneration Act 2023. It is suggested the Council should review its supply and give consideration to including a specific policy on this topic within the next Local Plan.

## **Overall Summary**

54. Uttlesford has characteristics of an affluent area, including high house prices and a high proportion of households living in owner-occupied housing. However, the high house prices (also when considered relative to local incomes) and the general lack of social rented housing does point to potential affordability and the need for affordable housing.
55. The Standard Method shows a housing need for 675 dwellings per annum in the District. This figure looks to be reasonable and there are no exceptional circumstances pointing towards a higher or lower figure – this conclusion takes account of up-to-date demographic trends.
56. There is a significant need for affordable housing, particularly for lower income households likely to need rented accommodation. The Council should prioritise delivery of social rented housing where it is viable to do so. There is also a potential need for affordable home ownership (although such a need is not clear-cut), although it seems difficult to make such homes genuinely affordable in a local context, thus lending further support for the provision of social rented housing.

# 1. Background

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## Introduction

- 1.1 This report provides an update to the Local Housing Needs Assessment (LHNA) prepared for Uttlesford District Council to inform the Regulation 18 Consultation of the emerging Local Plan<sup>1</sup>. The report has been prepared in the same format as the draft LHNA and includes the same range of data as in the previous study. The key difference is this report now takes a 2024 base and looks at a range of topics up to the end of the plan period (2041). The draft LHNA looked at needs over a 10-year period (2023-33).
- 1.2 This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- 1.3 The Council is in the process of reviewing the evidence base for the new Local Plan which currently covers the period 2021-2041 and on that basis a key purpose of the study is to assess how many, and determine the types of, homes that need to be planned for across the period to 2041 to ensure that the Local Plan remains up to date and continues to meet changing needs.
- 1.4 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

## National Policy Context

- 1.5 The sub-sections below set out an overview of the key national planning policy and guidance in relation to housing need.

### National Planning Policy Framework (NPPF) – December 2023

- 1.6 The latest version of the NPPF was published by Government in December 2023. Paragraph 7 of the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

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<sup>1</sup> [https://uttlesfordreg18evidencebase.co.uk/documents/Uttlesford\\_LHNA\\_draft\\_October%202023.pdf](https://uttlesfordreg18evidencebase.co.uk/documents/Uttlesford_LHNA_draft_October%202023.pdf)

- 1.7 The development plan must include strategic policies to address Council's priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that the plan should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.
- 1.8 Paragraph 11 reiterates that “strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless...the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area.”.
- 1.9 In order to support the Government’s objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 1.10 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance although this only provides an advisory starting point. It notes there may be exceptional circumstances which justify an alternative approach and any approach would need to reflect current and future demographic trends and market signals.
- 1.11 Paragraph 63 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.
- 1.12 Paragraphs 64 – 66 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

#### Planning Practice Guidance

- 1.13 Government’s Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing need. Guidance on Housing and economic needs assessments explains that housing need is “an unconstrained assessment of the number of homes needed in an area” and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.



- 1.14 The PPG explains that policy-making authorities are expected to follow the Standard Method for assessing housing need and that the method is designed to identify the minimum number of homes expected to be planned for, addressing both projected household growth and historical under-supply.
- 1.15 The guidance does however note that the use of the standard method for strategic policy making purposes is not mandatory but that alternative methods should only be used in exceptional circumstances and will be tested at examination. Where an authority uses an approach leading to a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. The PPG also notes that any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.
- 1.16 The current guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be used. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. On their own these would not currently constitute exceptional circumstances.

## **Qualitative research and stakeholder consultation**

- 1.17 Whilst much of the project is based on analysis of a wide range of data sources covering a number of topics an initial stage of the project sought to speak to key players in the housing market to help provide some context for the analysis to follow. Below is a summary of these discussions and initial impressions of the District.

### Introduction

- 1.18 We visited the main settlements in district to obtain context to the study and undertake face to face interviews with estate and letting agents. Visits included Chesterford, Elmdon, Felsted, Great Dunmow, Littlebury, Stansted Mountfitchet, Stansted Airport, Saffron Walden, Stebbing and Thaxted. Consultation includes selected registered providers and strategic housing officials employed by Essex County Council.

### Overview of the District

- 1.19 The district is predominantly rural and agricultural. The two main settlements are Saffron Walden and Great Dunmow. These are market towns. Great Dunmow in particular, has seen significant growth recently. These towns offer a wide range of services to local residents and surrounding villages and rural enterprises. Their high streets are distinctive and comprise mostly of local independent businesses. Stansted Airport drives the largest centre of employment and is a hub for hospitality distribution and technical support industries.

### Consultation with Estate and Letting Agents

- 1.20 Interviews with agents covered the topics of gaps in supply, in-migration, investors, and the impact of Stansted Airport expansion on the housing market. 6 agents were interviewed. Interviews took place at Great Dunmow and Saffron Walden.
- 1.21 All agents reported high levels of transactions for sale or rent from incomers. Some reported 50% of transactions. In the south of the district these were mostly from households moving out of London. We were told that relocation out of London allows wider choice, of housing, lower living costs, better state education for their children and the ability to commute back to their place of work. The north of the district also houses households relocating from the Cambridge area. The towns and villages are also popular locations for retiring and retired households. Agents said that implications of this were high house prices, unaffordable to lower income and newly forming households.
- 1.22 High prices also limit the scale of investment from small scale investors. We were told that supply of rented housing was not keeping up with demand because of an unwillingness to invest by a largely demoralised private rented sector. This was due to the cumulative effect of changes to the tax system, increased regulation, and measures in the white paper “A Fairer Private Rented Sector” (2022). All agents reported high levels of demand citing waiting lists of hundreds of households. Agents mostly had only one or two vacancies at any time and were having to put a cap on the number of viewings for each vacancy. They said that a particular gap was good quality family housing with off-street parking. There was little evidence of build to rent initiatives and little scope for commercial to residential conversion on any scale.
- 1.23 Great Dunmow agents (sales and lettings) told us there were high levels of demand from Stansted Airport employees whether from management, aircrew, technical support or hospitality. Lower paid workers had little choice but to travel in from areas with lower housing prices. Some agents had branches in towns such as Bishop’s Stortford, Harlow and others along the M11 corridor south of the airport. One agent drew attention to problems supplying short term accommodation for visiting workers, temporary workers or new employees undergoing training and spoke of some agents working with hotels to provide rooms or even shared accommodation.
- 1.24 Agents in Saffron Walden told us that there was little impact from airport employees. Whilst there is uncertainty about the long-term future of Carver Barracks, we asked agents in Saffron Walden about impact on the local housing market from servicemen based at the barracks. We were told there was little impact as the base was very self-contained.

### Consultation with Registered Providers

- 1.25 Seven questionnaires were sent to a selection of registered providers who were seeking to expand their stock holding – 3 responses were received. The findings are summarised below.

#### *Supply of social and affordable rented housing*

- 1.26 Some registered providers reported difficulty letting 1-bedroom first floor flats and a shortage of 4-bedroom family housing.

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*Management and regeneration*

- 1.27 None of the respondents were envisaging management intervention or regeneration that would involve decanting tenants over the next 5-years.

*Supply from s106 agreements*

- 1.28 All respondents were aware of the council's priorities for tenure and bedroom mix from large scale development of housing and the supply of affordable housing arising from it. No respondent considered that the supply arising from such development was inappropriate.

*Special needs commissioning*

- 1.29 None of the respondents were providers of specialist accommodation.

*Evidence of need for affordable home ownership*

- 1.30 Respondents each raised different issues:
- there are affordability issue affecting higher share shared ownership resales;
  - changes in the help to buy agent system will necessitate closer working with the local authority regarding demand and strengthen the effectiveness of registered provider internal application processes;
  - shared ownership remains a highly popular product; and
  - restriction on staircasing and local connection criteria can make some first sales and resales more difficult to achieve.

*Homeoption.org*

- 1.31 One registered provider said they had no feedback on numbers of bids for individual vacancies. Other comments were:
- the process is satisfactory, but nominations can be slow to come through;
  - multiple nominations for the same vacancy would be helpful; and
  - improved communications would be welcome when it is difficult to find suitable applicants.

*Stansted Airport expansion*

- 1.32 Registered providers envisaged little impact due to low levels of stock and the policies that prioritise local need. One registered provider considered that improving shared ownership supply may help.

Consultation with the Essex County Council strategic housing team

- 1.33 Telephone interviews took place with members of the strategic housing team. It is unusual that a non-unitary county council employs a team of housing specialists. It was explained to us that the role of the team was to ensure that strategic county functions that had implications for housing was well co-ordinated with local planning authorities (LPA) and local housing authorities (LHA). The critical issues identified by the team were:
- refresh of the Essex wide housing strategy;
  - infrastructure for new development (roads, transport, community services);
  - designing and delivering the garden villages;
  - delivery of social care in areas of housing growth;
  - health and social care; and
  - co-ordination of homelessness related services.
- 1.34 Officers pointed out that social care was the largest area of spending of the council. The council was engaging with registered providers and there was a specific programme for extra care housing. The aim here was to influence LPA/LHA policy providers and seek to replicate the Hertfordshire commissioning strategy. Officers told us that addressing the needs of the aging population was a major challenge for the county. The strategic approach was to assist people to live independently with appropriate support and adaptation for as long as possible.
- 1.35 Officers told us about the impact of out of (London) borough placements of homeless and vulnerable people and the bi-lateral agreement that had been reached. Also, the partnership working with the nine Essex districts to address rough sleeping.
- 1.36 We expressed our concern over problems in achieving effective consultation with the NHS on housing issues across the country. Officers explained that the county was responsible for public health and working with that team provided the housing team with data and insights that helped to shape strategy and policy. There was a focus on delivering healthy outcomes through the design of garden communities through addressing car dependency, housing density and social isolation.
- 1.37 We also sought an overview of issues facing the county with specific reference to Uttlesford. We drew attention to the policy issues faced by the outer London boroughs in delivering their housing requirement due to greenbelt constraints. We were told that this was an acute issue on the south of the county, less so in Uttlesford.
- 1.38 We also asked for a perspective on Stansted Airport expansion. Officers thought it would have modest impact on Uttlesford pointing out that the expansion was much less significant in scale than the Harwich Freeport project. Officers acknowledged that there was a role for the county in improving public transport to the airport. The limited impact is likely to be due to the capacity and nature of the housing offer in the south of the district.

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### Key Findings from the Consultation

- 1.39 The private rented sector in Uttlesford, like most other parts of the country, cannot deliver the supply needed. This is particularly acute in Uttlesford due to the scale of out-migration from London.
- 1.40 Whilst Stansted Airport is a major employer and significant contributor to the local economy, its impact on Uttlesford's housing market is limited to the Great Dunmow area and its impact would appear to be greater in Bishop's Stortford, Harlow, and more southern towns along the M11 corridor.
- 1.41 Information from the registered providers who responded to our survey is very limited on the question of delivering extra care housing. Given the scale of the challenge described by the County Council this topic merits further discussion in this report.

### **Structure of this Report**

- 1.42 This report sets out a number of either linked or distinct sections; these are summarised below with a brief description:
- Section 2 – Area Profile – Provides background analysis including looking at demographic trends, house prices and house price changes;
  - Section 3 – Overall Housing Need – Uses the Standard Method to calculate housing need and also considers circumstances where an alternative housing requirement might be justified;
  - Section 4 – Affordable Housing Need – Provides analysis about the need for affordable housing and builds on this by considering the range of tenures of homes which can provide genuinely affordable housing in a local context;
  - Section 5 – Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures.
  - Section 6 – The Needs of Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
  - Section 7 – Custom- and Self-Build Housing – Provides information about the demand for and supply of custom- and self-build housing plots.

### **Rounding**

- 1.43 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

### **Background: Key Messages**

- This report provides an updated Local Housing Needs Assessment (LHNA) for Uttlesford District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
- To understand the area, an initial phase of work was carried out to talk with key players in the housing market (including estate and letting agents). From this, agents noted the private rented sector in Uttlesford, like most other parts of the country, cannot deliver the supply needed and that this is particularly acute in Uttlesford due to the scale of out-migration from London.
- It was noted that whilst Stansted Airport is a major employer and significant contributor to the local economy, its impact on Uttlesford's housing market is limited to the Great Dunmow area and its impact would appear to be greater in Bishop's Stortford, Harlow, and more southern towns along the M11 corridor.
- Finally, both registered providers and the County Council highlighted delivery of extra-care housing for older people as a particular issue and this is picked up later in this report.
- Overall, the report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
  - Section 2 – Area Profile;
  - Section 3 – Overall Housing Need;
  - Section 4 – Affordable Housing Need;
  - Section 5 – Housing Mix;
  - Section 6 – Older and Disabled People; and
  - Section 7 – Self- and Custom Build Housing.

## 2. Area Profile

### Introduction

2.1 This section provides some background analysis about population and housing in Uttlesford. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:

- Demographic baseline (including data on population age structure and changes)
- Housing stock (including type and tenure)
- Housing market (including data on house prices)

### Population

2.2 As of mid-2022, the population of Uttlesford is estimated to be 92,600 this is a growth of around 11,400 people over the previous decade. This equates to a growth of around 14.1% since 2012 which is a much higher rate of growth than across Essex (7.9%), the East of England region (8.2%) and nationally (6.7%).

	Population (2012)	Population (2022)	Change	% change
Uttlesford	81,148	92,578	11,430	14.1%
Essex	1,407,607	1,519,509	111,902	7.9%
East of England	5,915,033	6,398,497	483,464	8.2%
England	53,506,812	57,106,398	3,599,586	6.7%

Source: Mid-year population estimates

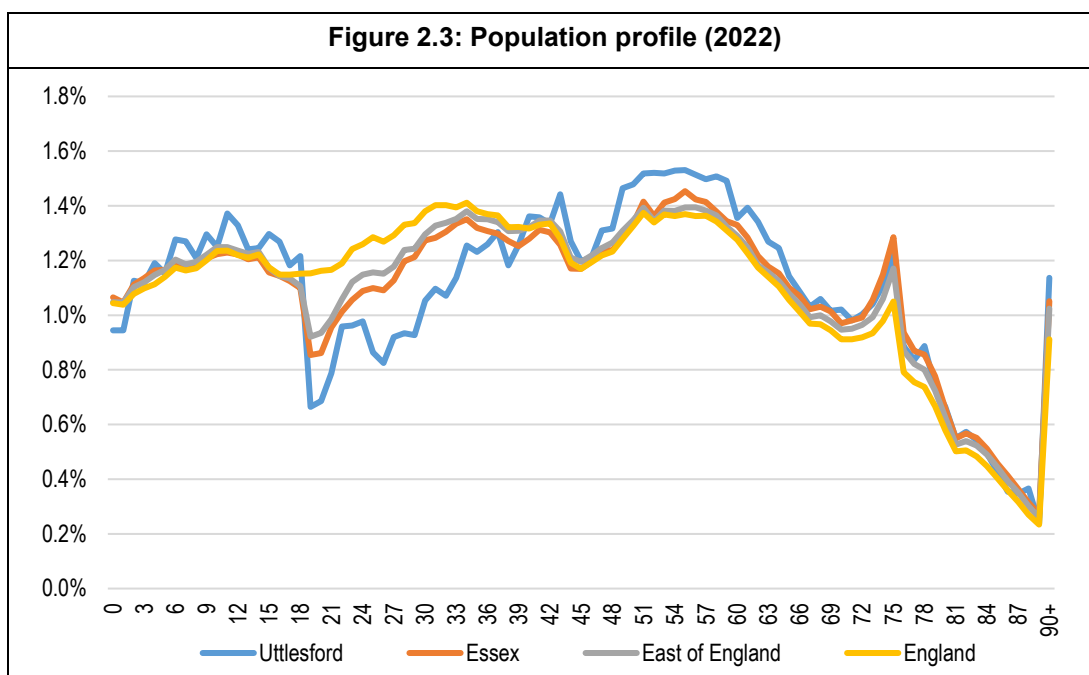
2.3 The table below considers population growth rate in the 20-year period from 2002 to 2022. The analysis shows over this period that the population of Uttlesford has grown at a substantially faster rate to that seen in other areas – indeed annual growth is roughly double any of the benchmark areas shown below.

	Growth Rate (2002 – 2012)	Growth Rate (2012 – 2022)	Growth Rate (2002 – 2022)
Uttlesford	1.7%	1.4%	1.7%
Essex	0.7%	0.8%	0.8%
East of England	0.9%	0.8%	0.9%
England	0.8%	0.7%	0.7%

Source: Mid-year population estimates

## Age Structure

2.4 The figure below shows the age structure by single year of age (compared with a range of other areas). From this it is clear that Uttlesford has fewer people aged in their 20s and 30s than other areas and a higher proportion of people aged in their 50s. The age structure regarding older persons is broadly similar to that seen in other locations.



Source: Mid-year population estimates

2.5 The analysis below summarises the above information (including total population numbers for Uttlesford) by assigning population to three broad age groups (which can generally be described as a) children, b) working age and c) pensionable age). This analysis does not show the differences within the ‘working-age’ group but does highlight a similar proportion of people aged 65 and over, and a similar proportion of children when compared with other locations.

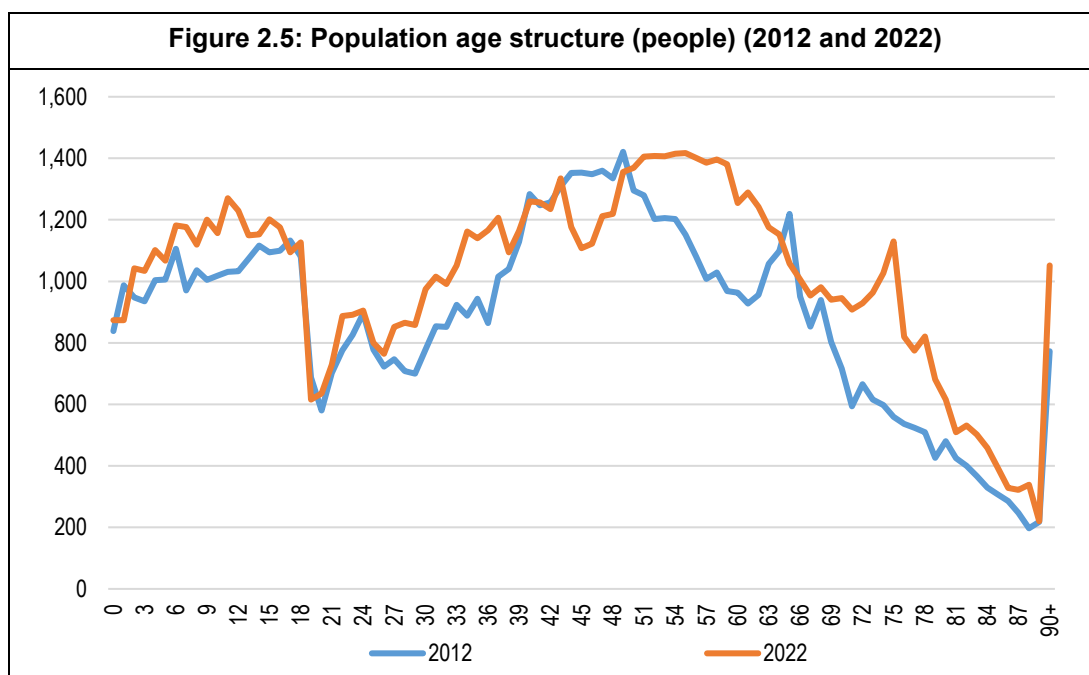
	Uttlesford		Essex	East of England	England
	Population	% of population	% of population	% of population	% of population
Under 16	17,830	19.3%	18.7%	18.8%	18.5%
16-64	55,539	60.0%	60.5%	61.3%	62.9%
65+	19,209	20.7%	20.8%	19.9%	18.6%
All Ages	92,578	100.0%	100.0%	100.0%	100.0%

Source: Mid-year population estimates



## Age Structure Changes

- 2.6 The figure below shows how the age structure of the population has changed in the 10-year period from 2012 to 2022 – the data used is based on population so will reflect the notable increase seen in this period. There have been some changes in the age structure, including increases in the population in their late 20s and early 30s, as well as people in their 50s. The proportion of people aged 65 and over also looks to have increased notably.



Source: Mid-year population estimates

- 2.7 Where there are differences, it is often due to cohort effects (i.e. smaller or larger cohorts of the population getting older over time). One notable feature however is the higher proportion of children in 2022 – nationally increases in the number of children were fairly modest over the 2012-22 period. The information above is summarised into three broad age bands to ease comparison. The table below shows an increase of 10% in the 16–64 age group and a much larger increase of 32% in the 65+ age group.

**Figure 2.6: Change in population by broad age group (2012-22) – Uttlesford**

	2012	2022	Change	% change
Under 16	16,200	17,830	1,630	10.1%
16-64	50,412	55,539	5,127	10.2%
65+	14,536	19,209	4,673	32.1%
TOTAL	81,148	92,578	11,430	14.1%

Source: Mid-year population estimates

## Components of Population Change

- 2.8 The table below consider the drivers of population change from 2011 to 2022. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).
- 2.9 There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated (this is only calculated for the 2011-21 period). There are also 'other changes', which for Uttlesford are relatively low – these changes are often related to armed forces personnel or boarding school pupils.
- 2.10 The data shows natural change to generally be dropping over time (i.e. the number of excess births compared with deaths is reducing) and migration is variable, with no clear trend – it is however clear that migration, and particularly internal (domestic) migration is the main driver of population change in the District.
- 2.11 The analysis also shows (for the 2011-21) period a notable negative level of UPC (totalling around 2,800 people over the 10-year period), this suggests when the 2021 Census was published ONS had previously over-estimated population change. This is an important point to note as ONS typically uses figures with no adjustments for UPC in their projections.
- 2.12 Overall the data shows a continuing trend of strong population growth throughout the period studied although it is notable that the figure for the most recent year is the lowest figure seen going back as far as at least 2011.

**Figure 2.7: Components of population change, mid-2011 to mid-2022 – Uttlesford**

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2011/12	235	1,069	65	9	-262	1,116
2012/13	242	1,164	26	50	-266	1,216
2013/14	217	1,334	97	1	-281	1,368
2014/15	211	839	92	44	-296	890
2015/16	191	1,033	102	-79	-304	943
2016/17	114	1,146	10	-14	-310	946
2017/18	191	1,353	-41	4	-307	1,200
2018/19	208	1,744	-62	43	-283	1,650
2019/20	129	1,293	-129	33	-205	1,121
2020/21	89	1,651	-52	47	-296	1,439
2021/22	103	301	224	29	0	657

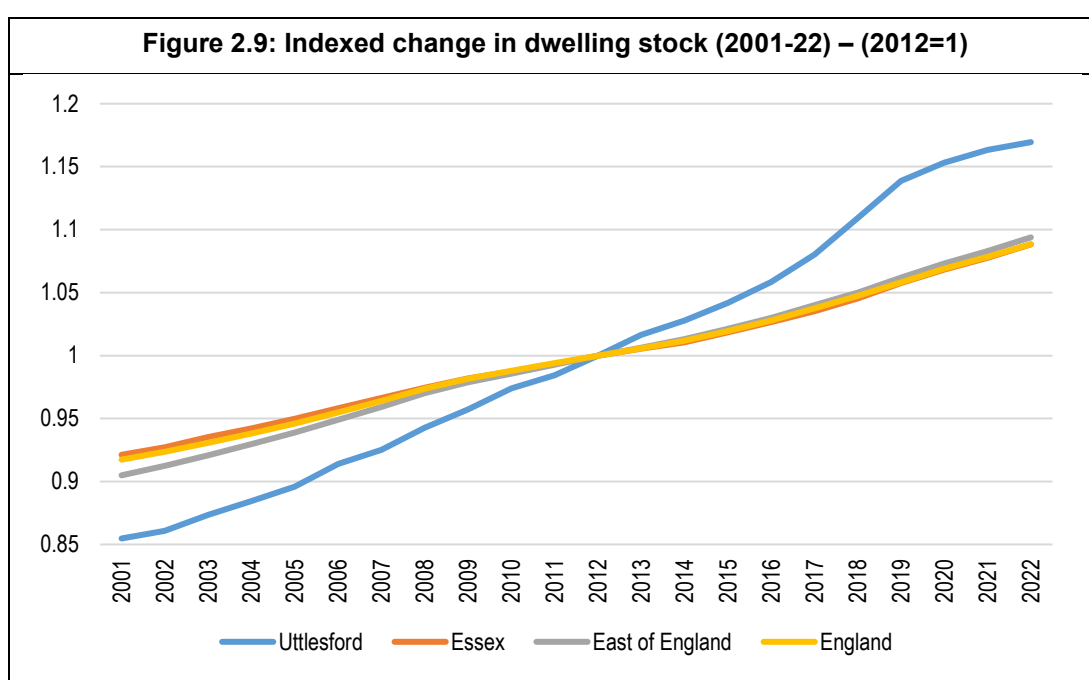
Source: ONS

## Housing Stock

- 2.13 As of 2022 there were 39,000 dwellings in Uttlesford, an increase of 5,700 over the 10-year period from 2012 – this represents a 17% increase in the number of homes, roughly double that seen across a range of benchmark areas. Although Uttlesford has seen strong growth in the number of dwellings, the actual increase in the 2012-22 period is lower than many other areas – Uttlesford saw the 16<sup>th</sup> strongest growth of all local authorities in the East of England region and had lower growth than some other Essex authorities (Chelmsford, Colchester and Tendring).

	Dwellings (2012)	Dwellings (2022)	Change	% change
Uttlesford	33,380	39,037	5,657	16.9%
Essex	607,944	661,625	53,681	8.8%
East of England	2,550,367	2,789,745	239,378	9.4%
England	23,116,851	25,160,404	2,043,553	8.8%

Source: DLUHC (Live Table 125)



Source: DLUHC (Live Table 125)

- 2.14 By using Census data about the number of households it is possible to estimate the number of vacant homes in the District and how this has changed from 2011 to 2021. In 2011, there were 31,316 households in the District, implying a vacancy rate of 4.7%; by 2021 there were 36,960 households and an implied vacancy rate of 4.8%. Whilst this suggests the proportion of vacant homes has increased, this change is not as significant as seen in other areas, notably the proportion of vacant homes nationally is estimated to have increased from 4.0% to 5.8% over the 2011-21 decade.

<b>Figure 2.10: Estimated proportion of vacant homes (2011 and 2021)</b>		
	2011	2021
Uttlesford	4.7%	4.8%
Essex	3.7%	4.3%
East of England	4.3%	4.7%
England	4.0%	5.8%

Source: DLUHC (Live Table 125) and Census

## Tenure

2.15 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers, particularly those with a mortgage. The proportion of households living in both the social rented sector and private rented accommodation is lower than observed in other areas. The figures for private rent include a small number of households categorised as living rent free.

<b>Figure 2.11: Tenure (2021)</b>					
	Uttlesford		Essex	East of England	England
	Households	% of households	% of households	% of households	% of households
Owns outright	13,177	35.7%	36.3%	34.6%	32.5%
Owns with mortgage/loan	13,568	36.7%	33.5%	31.6%	29.8%
Social rented	4,809	13.0%	14.1%	15.5%	17.1%
Private rented	5,401	14.6%	16.0%	18.3%	20.6%
TOTAL	36,955	100.0%	100.0%	100.0%	100.0%

Source: 2021 Census

2.16 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows data from the 2011 and 2011 Census. From this it is clear that there has been notable growth in the number of households living in all tenures, but particularly outright owners (owners with a mortgage seeing the lowest increase). Both the social and private rented sectors also see notable increases over time.

<b>Figure 2.12: Change in tenure (2011-21) – Uttlesford</b>				
	2011	2021	Change	% change
Owns outright	10,668	13,177	2,509	23.5%
Owns with mortgage/loan	12,078	13,568	1,490	12.3%
Social rented	3,961	4,809	848	21.4%
Private rented	4,108	5,375	1,267	30.8%
Living rent free	501	26	-475	-94.8%
TOTAL	31,316	36,955	5,639	18.0%

Source: Census (2011 and 2021)

## Dwelling Type

- 2.17 The 2021 Census shows that, detached homes were the most common dwelling type within Uttlesford at 42% of total dwelling stock, significantly above the national average for this built-form (23%). Flats/maisonettes are least common at 11% (this includes 0.6% of dwellings recorded as 'other').

**Figure 2.13: Accommodation type (2021)**

	Uttlesford		Essex	East of England	England
	Dwellings	% of dwellings	% of dwellings	% of dwellings	% of dwellings
Detached	15,507	42.0%	30.5%	29.6%	22.9%
Semi-detached	11,427	30.9%	31.5%	31.0%	31.5%
Terraced	5,803	15.7%	19.9%	21.2%	23.0%
Flat/other	4,222	11.4%	18.1%	18.2%	22.6%
TOTAL	36,959	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

- 2.18 The Census can also be used to look at changes in dwelling types over the 2011-21 decade. This shows increases for all built-forms with the number of flats increasing by 26% - this however only represents 16% of additional dwellings – 42% of additional homes shown by the Census are detached, the same proportion as there are already in the stock. The data therefore points to deliver in the 2011-2021 period as broadly following the profile of the existing stock.

**Figure 2.14: Change in accommodation type (2011-21) – Uttlesford**

	2011	2021	Change	% change	% of change
Detached	13,139	15,507	2,368	18.0%	42.0%
Semi-detached	9,622	11,427	1,805	18.8%	32.0%
Terraced	5,208	5,803	595	11.4%	10.5%
Flat/other	3,347	4,222	875	26.1%	15.5%
TOTAL	31,316	36,959	5,643	18.0%	100.0%

Source: Census (2011 and 2021)

## Bedrooms (accommodation size)

- 2.19 The analysis below shows the number of bedrooms available to households as of the 2021 Census. Generally, the size profile in Uttlesford is one of larger homes with 38% of homes having 4+ bedrooms – this compares with just 21% nationally. The proportion of 1- and 2-bedroom homes is relatively low compared with other locations.

	Uttlesford		Essex	East of England	England
	Households	% of households	% of households	% of households	% of households
1-bedroom	2,829	7.7%	10.6%	10.7%	11.6%
2-bedrooms	7,602	20.6%	26.3%	25.8%	27.3%
3-bedrooms	12,654	34.2%	37.8%	39.6%	40.0%
4+-bedrooms	13,873	37.5%	25.2%	23.9%	21.1%
TOTAL	36,958	100.0%	100.0%	100.0%	100.0%
Average bedrooms	3.02		2.77	2.77	2.71

Source: Census (2021)

2.20 The table below shows how the number of bedrooms has changed over the 2011-21 decade for the whole of the District. This shows that around 50% of the change is accounted for by 4+-bedroom homes, with increases also seen for other dwelling sizes. The analysis points to homes with 3-bedrooms seeing the smallest proportionate increase, although 3-bedroom homes still make up nearly a quarter of the change recorded by the Census.

	2011	2021	Change	% change	% of change
1-bedroom	2,289	2,829	540	23.6%	9.6%
2-bedrooms	6,601	7,602	1,001	15.2%	17.7%
3-bedrooms	11,375	12,654	1,279	11.2%	22.7%
4+-bedrooms	11,051	13,873	2,822	25.5%	50.0%
TOTAL	31,316	36,958	5,642	18.0%	100.0%

Source: Census (2011 and 2021)

## Overcrowding and Under-Occupation

2.21 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The box below shows how the standard is calculated, this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

For the purposes of the bedroom standard a separate bedroom shall be allocated to the following persons –

- (a) A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
- (b) A person aged 21 years or more
- (c) Two persons of the same sex aged 10 years to 20 years
- (d) Two persons (whether of the same sex or not) aged less than 10 years
- (e) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years
- (f) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.

2.22 The analysis shows that levels of overcrowding in Uttlesford are low in a national context with only 1.4% of households being overcrowded in 2021 (compared with 4.4% nationally). This level of overcrowding is also below the regional average and for the whole of Essex. Levels of under-occupation are also relatively high with around 49% of households having a rating of +2 or more – this is notably higher than seen across England and also above that seen in other areas.

	Uttlesford		Essex	East of England	England
	Number of households	% of households	% of households	% of households	% of households
+2 or more	18,167	49.2%	38.3%	38.5%	35.6%
+1 or more	11,240	30.4%	33.5%	32.9%	33.2%
0	7,028	19.0%	25.0%	25.2%	26.8%
-1 or less	523	1.4%	3.2%	3.4%	4.4%
TOTAL	36,958	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

2.23 The table below shows how levels of overcrowding and under-occupancy have changed in the 2011-21 decade. This shows a significant increase in the number of household under-occupying homes and a reduction in overcrowding.

	2011	2021	Change	% change
+2 or more	14,961	18,167	3,206	21.4%
+1 or more	9,969	11,240	1,271	12.7%
0	5,695	7,028	1,333	23.4%
-1 or less	691	523	-168	-24.3%
TOTAL	31,316	36,958	5,642	18.0%

Source: Census (2011 and 2021)

## House Prices

2.24 In the year to March 2023 the median house price in Uttlesford was £465,000 – this is above the average seen in the benchmark areas, including being some 60% above the national average.

	Price	Difference from England
Uttlesford	£465,000	+60%
Essex	£365,000	+26%
East of England	£342,500	+18%
England	£290,000	-

Source: ONS Small Area House Price Statistics

2.25 The table below shows median prices by dwelling type. This again shows some significant differences between prices in Uttlesford and other locations – it is however the case that a median flat price in the District is slightly lower than the national average (which is likely to be influenced by prices of flats in London). The higher prices in Uttlesford do point to relatively strong housing demand.

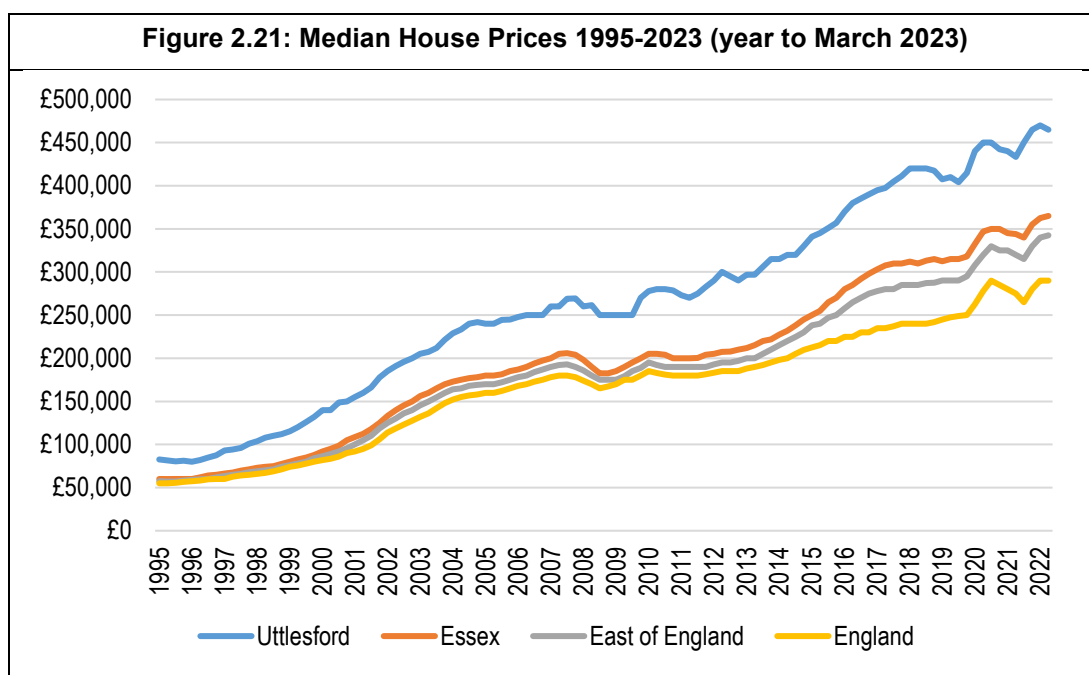
	Flat/ Maisonette	Terraced	Semi- Detached	Detached	All Sales
Uttlesford	£225,000	£367,500	£446,750	£635,000	£465,000
Essex	£210,000	£328,000	£380,000	£525,000	£365,000
<i>Differential</i>	<i>£15,000</i>	<i>£39,500</i>	<i>£66,750</i>	<i>£110,000</i>	<i>£100,000</i>
East of England	£210,000	£310,000	£350,000	£480,000	£342,500
<i>Differential</i>	<i>£15,000</i>	<i>£57,500</i>	<i>£96,750</i>	<i>£155,000</i>	<i>£122,500</i>
England	£232,000	£240,000	£274,000	£440,000	£290,000
<i>Differential</i>	<i>-£7,000</i>	<i>£127,500</i>	<i>£172,750</i>	<i>£195,000</i>	<i>£175,000</i>

Source: ONS Small Area House Price Statistics

## House Price Changes

2.26 The figure below shows growth in the median house price over the period since 1995. House prices in Uttlesford closely followed the national trend across England over time, with stronger price growth in the pre-recessionary period between 2003 and 2008, a dip during the recession and a strong increase to 2018 before seeing some variation over the last couple of years or so.





Source: ONS Small Area House Price Statistics

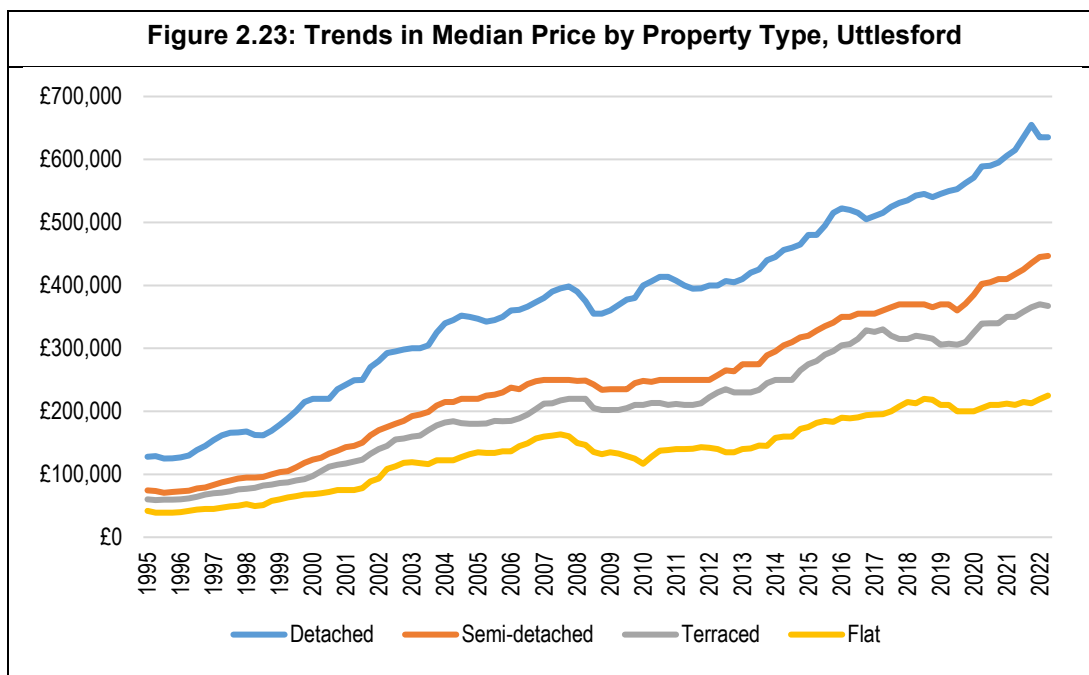
- 2.27 Relative to other areas, percentage house price increases in Uttlesford have been lower than seen across Essex and the East of England, however in actual cost terms, the change in Uttlesford has been higher. Over the 10-year period studied, the average house price in Uttlesford rose by £165,000, compared with £105,000 nationally.

**Figure 2.22: Median House Price Change year ending March 2013 to year ending March 2023**

	Year ending March 2013	Year ending March 2023	Change	% change
Uttlesford	£300,000	£465,000	£165,000	55.0%
Essex	£207,500	£365,000	£157,500	75.9%
East of England	£195,000	£342,500	£147,500	75.6%
England	£185,000	£290,000	£105,000	56.8%

Source: ONS Small Area House Price Statistics

- 2.28 Trends in the values of different types of properties in Uttlesford are shown in the figure below. It shows that in the longer-term, the strongest value growth has been for detached properties although all dwelling types have seen increased values. It is also notable that all dwelling types saw a drop in price through the early part of the 2008 recession, but that detached homes look to have been particularly affected by this.



Source: ONS Small Area House Price Statistics

2.29 The table below shows data for the last decade (to March 2023) – this shows all house types increasing by a broadly similar percentage, with the percentage increase for semi-detached homes being slightly higher.

**Figure 2.24: Median House Price Change year ending March 2013 to year ending March 2023 by dwelling type - Uttlesford**

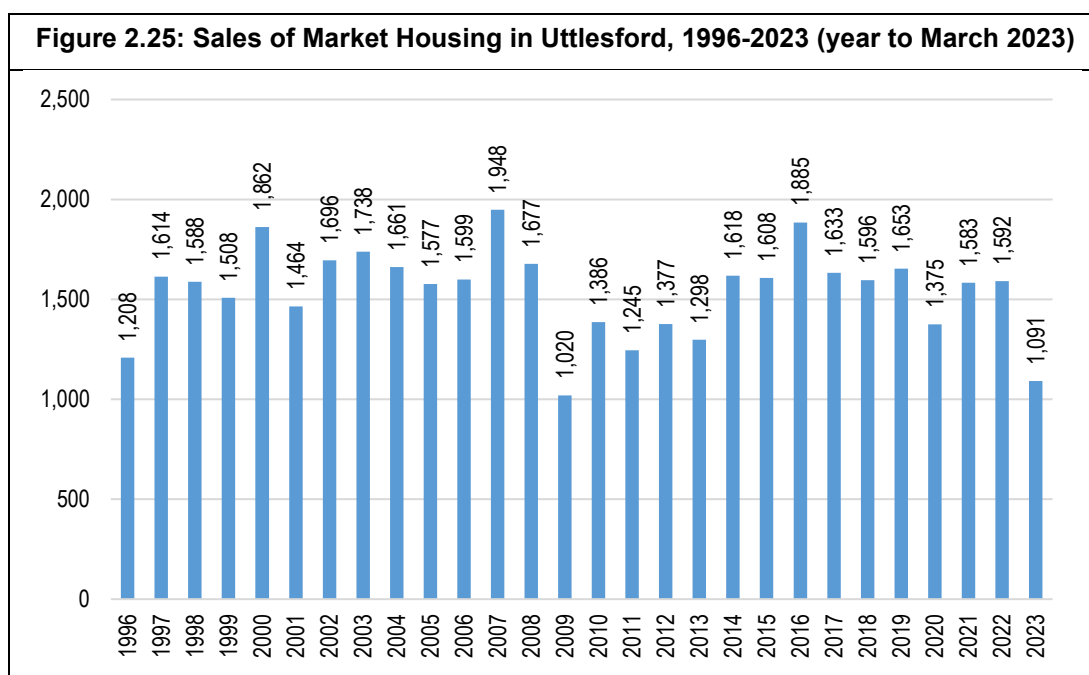
	Year ending March 2013	Year ending March 2023	Change	% change
Detached	£399,995	£635,000	£235,005	58.8%
Semi-detached	£257,500	£446,750	£189,250	73.5%
Terraced	£230,000	£367,500	£137,500	59.8%
Flat	£140,000	£225,000	£85,000	60.7%

Source: ONS Small Area House Price Statistics

## Sales

2.30 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of ‘effective demand’ for market housing. Sales volumes averaged about 1,700 per annum over the 10-year period to 2008. They fell dramatically as a result of the ‘credit crunch’, before picking up from 2012 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Uttlesford have however generally been trending down since 2016.

2.31 The drop in sales volumes seen since 2016 is likely to have been influenced by the effects of macro-economic uncertainty on the market – linked to Brexit – coupled with changes to mortgage interest relief which have affected the buy-to-let market. The most recent data will also be starting to pick up the impact of the war in Ukraine and associated ‘cost of living crisis’.



Source: ONS Small Area House Price Statistics

## Private Rental Values

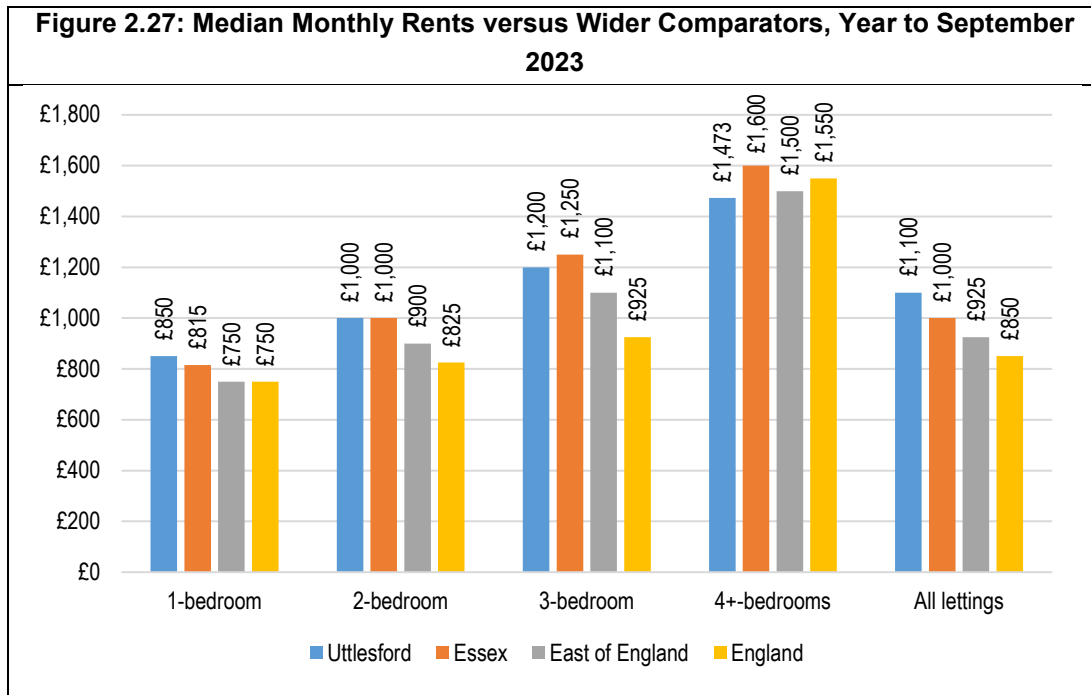
2.32 The analysis below reviews current private rents in Uttlesford against the County, regional and national average. The data is drawn from the ONS Private Rental Market Statistics. Median monthly rents vary from £850 for a 1-bedroom homes to approaching £1,500 for 4+-bedroom properties in the District. It should be noted these figures are for all private rents, and not just new tenancies

**Figure 2.26: Monthly Rents in Uttlesford, Year to September 2023**

	Mean	Lower Quartile	Median
1-bedroom	£872	£780	£850
2-bedrooms	£1,041	£925	£1,000
3-bedrooms	£1,225	£1,000	£1,200
4+ bedrooms	£1,593	£1,250	£1,473
All Lettings	£1,176	£925	£1,100

Source: ONS Private Rental Market Statistics

2.33 The median rent for all properties is 10% above the Essex average, 19% higher than the East of England average and 29% above the England average. Rents in Uttlesford for all property sizes are all above the national average. It is however notable that differences between areas for private rents are not a great as for sale prices – analysis earlier showed the average house price in the District to be 60% higher than the national average, compared with private rents being ‘just’ 29% higher.



Source: ONS Private Rental Market Statistics

2.34 Analysis below has also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 16%. The strongest growth has been for smaller (1- and 2-bedroom) properties with little change shown for larger (4+-bedroom) homes.

**Figure 2.28: Median Rental Change in Uttlesford, 2017/18 – 2022/23**

	2017/18	2022/23	Change	% Change
1-bedroom	£700	£850	£150	21.4%
2-bedrooms	£850	£1,000	£150	17.6%
3-bedrooms	£1,150	£1,200	£50	4.3%
4+ bedrooms	£1,450	£1,473	£23	1.6%
All Lettings	£950	£1,100	£150	15.8%

Source: ONS Private Rental Market Statistics

2.35 The table below compares changes in overall median private sector rents in Uttlesford with other locations. Interestingly all areas have seen an increase of £150-£160 per month, which means in proportionate terms a slightly lower increase in Uttlesford compared with other locations.

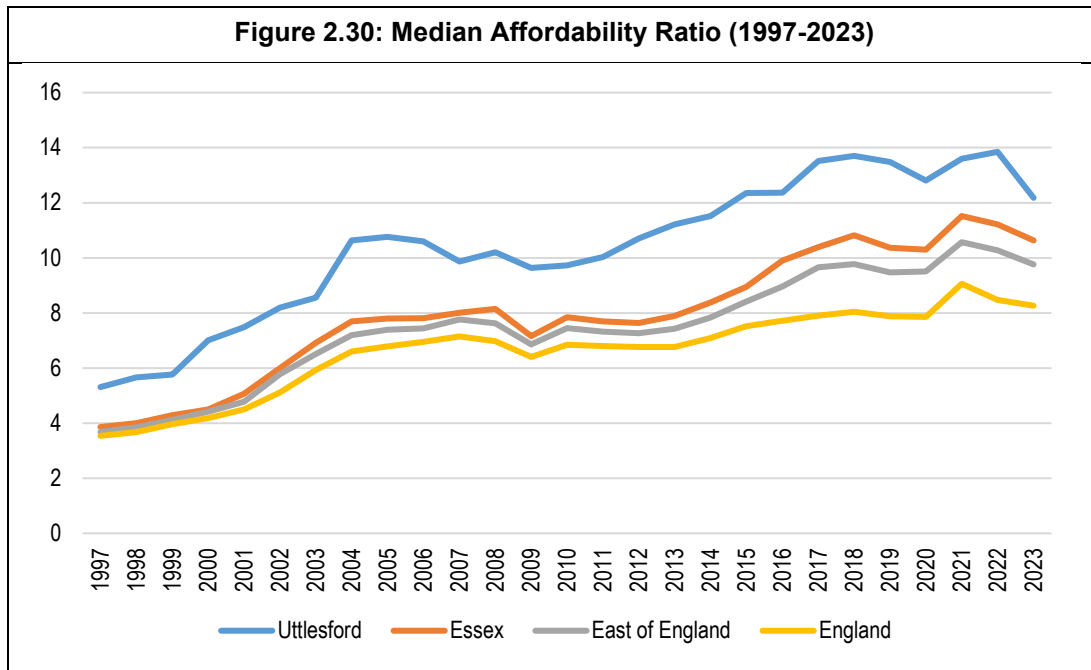
**Figure 2.29: Median Rental Change in a range of areas, 2017/18 – 2022/23**

	2017/18	2022/23	Change	% Change
Uttlesford	£950	£1,100	£150	15.8%
Essex	£850	£1,000	£150	17.6%
East of England	£775	£925	£150	19.4%
England	£690	£850	£160	23.2%

Source: ONS Private Rental Market Statistics

## Market Affordability

2.36 The figure below shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in the District. In all areas the affordability ratio has increased between 1997 and 2023, Uttlesford now sees an affordability ratio of 12.18, which is higher than that seen in other locations – the ratio did however drop notably from 2022 to 2023. In terms of trends the Uttlesford and other area figures see a broad alignment although data for Uttlesford can be a bit more variable year-on-year – as the earnings estimates are derived from survey based data they can be prone to fluctuations particularly in smaller areas.



Source: ONS, Housing Affordability in England and Wales

### Area Profile: Key Messages

- Analysis was carried out to provide background information about population and housing in Uttlesford. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
  - Demographic baseline (including data on population age structure and changes);
  - Housing stock (including type and tenure); and
  - Housing market (including data on house prices)
- As of mid-2022, the population of Uttlesford is 92,600 and since 2012 the District's population has grown by around 14% which is a much faster rate of growth than across Essex, the East of England region and nationally. The District also saw fast population growth in the 2002-2012 period.
- The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions in their 50s. Over the past decade, the District has seen an ageing of the population, with the number of people aged 65 and over increasing by 32%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
- Population growth in the District is largely driven by internal migration – moves from one part of the UK to another, although there are also modest positive levels of natural change (births minus deaths) and international migration (although international migration was negative between 2017 and 2021).
- ONS dwelling stock data indicates there were 39,000 dwellings in the District as of 2022, a net increase of 5,700 dwellings between 2012 and 2022. As with population growth, rates of change in dwelling numbers have been in excess of that seen in other areas, going back at least until 2001. Although Uttlesford has seen strong growth in the number of dwellings, the actual increase in the 2012-22 period is lower than many other areas – Uttlesford saw the 16<sup>th</sup> strongest growth of all local authorities in the East of England region and had lower growth than some other Essex authorities (Chelmsford, Colchester and Tendring).
- Some 72% of all households in the District are owner-occupiers, notably higher than the national average of 62% (and higher than other benchmark areas), consequently the proportion of households living in the social rented (13%) and private rented (15%) sectors is lower than seen in other locations.
- The housing stock is dominated by detached homes, making up 42% of all dwellings (23% nationally) and related to this the stock is generally larger in nature, with around 38% having 4+-bedrooms. Again linked to this, the District sees high levels of under-occupancy, with nearly half of all households living in homes with at least two spare bedrooms. Levels of overcrowding are very low – at just 1.4% of all households.
- In the year to March 2023 the median house price in Uttlesford was £465,000. This is significantly above the median house price for comparator areas, and is 60% above the national average. Prices have also been increasing significantly, rising by 55% (£165,000) over the decade to March 2023. Over the past five years price rises have been more modest, increasing by 17%. When looking at median prices by property type, Uttlesford also typically sees higher prices for different types of property than Essex, the East of England region and England as a whole.

**Area Profile: Key Messages (cont...)**

- As well as higher house prices, the District typically sees higher private rental costs, with the median private rent for a 2-bedroom home standing at £1,000 per month in the year to September 2023. Rents overall are around 29% above the national average (compared with 60% when looking at median house prices). Over the past five years rents have increased by around 16%, similar to the increase in house prices over the same period.
- In line with national trends, the affordability ratio in the District has generally increased over time, with the workplace based median affordability ratio in Uttlesford standing at 12.18 in 2023 (although this was a reduction from 13.85 in 2022) – these figures are based on the ratio between median house prices and full-time earnings.
- Overall, the data points to Uttlesford as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The District also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and levels of delivery above other areas.
- That said, there are clearly issues suggested by the data. The house price to income ratio is high, pointing to potential difficulties in first-time-buyers (in particular) accessing the market – private rents are also high. At the same time, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.





## 3. Overall Housing Need

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### Introduction

- 3.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. The section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable.
- 3.2 Where projections are discussed in this section, the analysis looks at the 2024-41 period. This is different to the Regulation 18 LHNA draft which looked at a 10-year period (2023-33). The change is to update to the current base year (i.e. 2024) and to roll forward to the end of the currently proposed plan period (to 2041).

### Standard Method

- 3.3 The analysis below considers the level of local housing need for Uttlesford using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

#### Step One: Setting the Baseline

- 3.4 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2024 to 2034. This results in growth of 4,822 households (482 per annum) over the ten-year period.

#### Step Two: Affordability Adjustment

- 3.5 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 3.6 The latest (workplace-based) affordability data is for 2023 and was published by ONS in March 2024. The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Uttlesford, the ratio for 2023 was 12.18, giving an uplift of 51% - this leads to a housing need of 729 dwellings per annum.

$$\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

### Step Three: The Cap

- 3.7 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
  - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 3.8 The last Uttlesford Local Plan dates back to 2005 with a housing target of around 373 dwellings per annum. A cap is therefore applied as 40% above the household growth shown above (as this is higher of the two figures). This gives a housing need of 675 dwellings per annum.

### Step Four: Urban Uplift

- 3.9 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.” (Paragraph: 035 Reference ID: 2a-035-20201216). Uttlesford is not listed within the top 20 urban areas in the country and therefore there is no additional uplift.

### Standard Method Calculation using 2014-based Household Projections

- 3.10 The table below works through the Standard Method calculations for the District and shows a need for 675 dwellings per annum.

<b>Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections</b>	
	Uttlesford
Households 2024	38,630
Households 2034	43,452
Change in households	4,822
Per annum change	482
Affordability ratio (2023)	12.18
Uplift to household growth	51%
Uncapped need (per annum)	729
Capped need (per annum)	675

Source: Derived from a range of ONS and MHCLG sources

- 3.11 Although this figure is calculated over a ten-year period from 2024 to 2034, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then *'be applied to the whole plan period'* in calculating housing need. This paragraph also notes the NPPF *'requires strategic policies to look ahead over a minimum 15 year period from adoption'*.
- 3.12 In Uttlesford the emerging plan is to cover the 2021-41 period and this leads to an overall need for 13,500 dwellings (675×20). In the 2021-24 period, data from the Council shows a total of 1,802 net completions and therefore (in housing need terms) the remaining need is for 11,698 dwellings, at a rate of 688 per annum (2024-41).

### **Divergence from the Standard Method (Exceptional Circumstances)**

- 3.13 The table above sets out housing need using the Standard Method and whilst this is a relevant consideration Planning Practice Guidance does allow for divergence from these figures (in both an upward and downward direction) where exceptional circumstances can be demonstrated. An important start point is to understand Government Guidance on this topic. This can be found in Planning Practice Guidance 2a and below are some key quotes for the purposes of this document.

***"Is the use of the standard method for strategic policy making purposes mandatory?"***

*No, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances."* - Paragraph: 003 Reference ID: 2a-003-20190220.

***"If authorities use a different method how will this be tested at examination?"***

*Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method."* - Paragraph: 015 Reference ID: 2a-015-20190220 (whole paragraph not replicated).

- 3.14 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method *'does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates'*. In Uttlesford, economic growth potential (increases in jobs) could put pressure on the need to provide housing delivery in excess of the Standard Method, and this is discussed later in this report.

- 3.15 Regarding demographic trends and projections, the guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where relevant. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. The PPG does not specifically set out examples of exceptional circumstances but it is considered that there are likely to be two main considerations:
- Firstly that demographic data on which projections are based is demonstrably wrong and cannot realistically be used for trend-based projections on which the Standard Method is based; and
  - Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.
- 3.16 The analysis below principally focuses on population projections as these are the main driver of household growth. The analysis additionally does not seek to challenge the market signals (affordability) element of the Standard Method.

### Data used in 2014-based projections

- 3.17 On the 22<sup>nd</sup> March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.
- 3.18 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Uttlesford and if updated information point to the 2014-based projections as being substantially wrong.
- 3.19 The table below shows estimated population in 2014 from the original and revised MYE. For the whole of the Council area the revised population estimate for 2014 is slightly higher than for previous data (data used for the 2014-SNPP). This would suggest the 2014-based projections slightly underestimated population growth. However, the scale of difference is not at all substantial and would be unlikely to have any notable impact on projections.

<b>Figure 3.2: Original &amp; Revised Estimate of Population in 2014</b>			
	Original estimate	Revised estimate	Difference
Uttlesford	84,042	84,066	+24

Source: ONS

### More Recent Demographic Trends

- 3.20 In testing the Standard Method, it is worthwhile studying up-to-date demographic trends in terms of both population and household growth, this can be used to see if the trends are so different from those projected by the 2014-based projections that reliance can no longer be placed on these projections (which have a base date which is now some 10-years old).

## Population Estimates

- 3.21 The analysis below looks at population trends across the District. Two main sources are initially used, these are:
- MYE (unadjusted) – unadjusted ONS mid-year population estimates (MYE) – these are estimates of population made by ONS through its tracking of births, deaths and migration from 2021. This is an important source as the data contained within this data source (notably about migration) is likely to be used by ONS as part of the next round of population projections (2022-based SNPP); and
  - MYE (Census adjusted) – these are estimates of population in 2021 that take account of 2021 Census data. Essentially, ONS use the Census (which dates from March 2021) and roll forward to a mid-year estimates based on births, deaths and migration in the 3 month period. The Census adjusted MYE replace the unadjusted figures as the ONS view of population in 2021.
- 3.22 From these sources there are only two consistent data points (2011 and 2021) – much of the analysis to follow therefore looks at trends in this 10-year period.
- 3.23 Above it was noted that one exceptional circumstance might be that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014 and that this is locally exceptional. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.
- 3.24 The table below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of Uttlesford to reach 92,900 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (94,700). However, following publication of the 2021 Census, ONS has revised down its estimate of population in 2021 to 91,900, potentially suggesting the 2014-SNPP did over estimate population change.

<b>Figure 3.3: Estimated Population in 2011 and 2021 -range of sources</b>				
	2011	2021	Change	% change
2014-based SNPP/SNHP	80,032	92,879	12,847	16.1%
MYE (unadjusted)	80,032	94,731	14,699	18.4%
MYE (Census adjusted)	80,032	91,921	11,889	14.9%

Source: ONS

- 3.25 Overall, it is however not considered that the difference between sources, including more up-to-date information point to an exceptional circumstance such that the 2014-based projection could be rejected as not showing a realistic level of population change. Whilst the Census shows lower growth from 2011, it is the case that differences are fairly minor, and the Census (as with unadjusted MYE data) does potentially have some degree of error associated with it.

### Household Estimates

3.26 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census, this is shown in the table below. This shows two very similar figures, with household growth in the two sources only being around 140 different (14 per annum). As with the population change data this does not point to any exceptional circumstance regarding more recent trends.

**Figure 3.4: Estimated Households in 2011 and 2021 -range of sources – Uttlesford**

	2011	2021	Change	% change
2014-based SNPP/SNHP	31,569	37,072	5,503	17.4%
Census	31,316	36,960	5,644	18.0%

Source: ONS

### ONS admin-based population estimates

3.27 Over the last couple of years ONS has been developing new ‘admin based’ population estimates with data now available for mid-2021 to mid-2023 – the latter date therefore being since the most recent MYE. It is therefore of interest to look at population estimates from this source, although we would point out that ONS note the following on their website:

*‘These are official statistics in development because we continue to refine our methods. They do not replace official mid-year population and international migration estimates and should not be used for decision making’.*

3.28 The table below shows population estimates from the admin-based data and also the MYE. For 2021-22 the admin-based figures show a very similar population growth to the MYE; but they also include a slightly higher estimated level of growth for the 2022-23 period (of 912 people). This higher figure is still some way below the estimated average growth in the MYE for the last 5-years (an average of just over 1,200 people per annum).

**Figure 3.5: ONS admin-based population estimates (2021-23) and comparison with MYE – Uttlesford**

	ONS MYE	Change	ONS admin-based estimate	Change
2021	91,921	-	92,088	-
2022	92,578	657	92,800	712
2023	-	-	93,712	912

Source: ONS

### National Population Projections

3.29 A final point to note is that ONS published Interim 2021-based National Population Projections in January 2024 which project population growth to be higher than in recent population projections. However, by 2041 the population is projected to be at a similar level to that set out in the 2014-based National Population Projections.

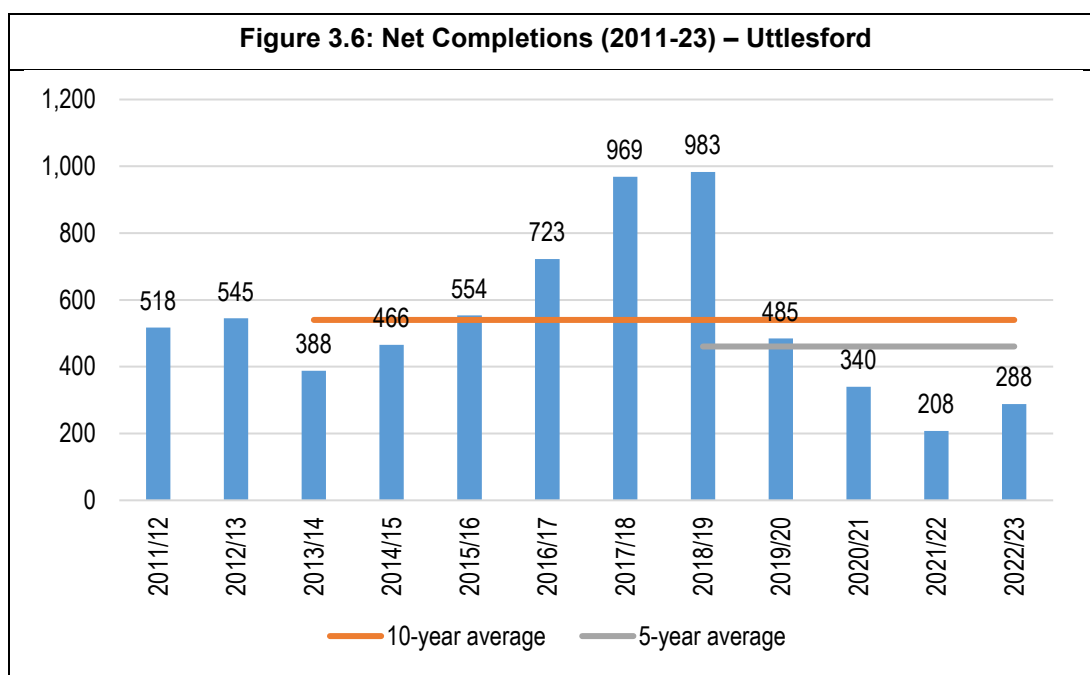
- 3.30 The components of change to arrive at a similar population level are however quite different, with the latest national projections including a notably higher level of net migration (long term average of 259,000 compared to 165,000 in the 2014-based release) and much lower levels of natural change. This potentially means more people of working age and fewer older persons (and children). This projection is yet to be translated into subnational figures (i.e. for individual authorities) or for households – however a lower proportion of older people may well see a lower projected household growth than is contained in the 2014-SNHP.
- 3.31 As noted, data is not yet available for smaller areas, however it is possible to form a view about what the population projection might say for Uttlesford by considering population growth in each of the 2009-14 and 2016-21 periods (noting that ONS typically looks at trends over 5-years when developing projections). Over the 5-year period to 2014 the population of the District was estimated to have increased by around 7,000 people, and for the 5-years to 2021 by around 6,400 people. This does suggest a subnational projection linked to the 2021-based national projections is unlikely to show stronger population (or household) growth than the 2014-based projections.

### **Past build rates**

- 3.32 The final consideration for a housing requirement is looking at past housing delivery. This is a key part of the PPG, which says (2a-010):

*'There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method... Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests'*

- 3.33 The figure below shows housing completions over the period from 2011 to 2023 – this shows average completions of 540 per annum over the past decade and a lower figure of 461 per annum over the past 5-years. Generally, these figures would point to a housing need of 675 per annum as being reasonable – supply has not consistently exceeded the Standard Method.



Source: DLUHC (Live Table 122)

### Developing a Projection linking to the Standard Method

- 3.34 The data above suggests the Standard Method in demographic terms is a reasonable number to use in estimating housing need for the District and it is worthwhile looking at how population might change if providing this level of homes. A bespoke projection has been developed, linking to provision of 688 dwellings per annum in the 2024-41 period – this is based on a need for 13,500 homes over the 2021-41 period and removing completions for 2021-24 (1,802 completions). This projection is then used for other analysis in the report (including looking at the mix of housing).
- 3.35 A scenario has been developed which flexes migration to and from the District such that there is sufficient population for 11,698 additional homes (2024-41 – based on 13,500-1,802). The modelling links to 2018-based population projections (these being the latest available at a subnational level) and also rebases population and households to the levels shown in the 2021 Census. To provide a base population estimate for 2024, data has been drawn from ONS admin-based population estimates which has then been rolled forward by a year based on population assumptions in the 2018-SNPP.
- 3.36 Within the modelling, migration assumptions have been changed so that across the District the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 3.37 In developing this projection a population increase of around 24,400 people is shown, with population change shown in all broad age bands, but particularly those aged 65 and over. This ‘Standard Method’ projection does generally follow the trends seen in the 2012-22 period and as discussed previously.



<b>Figure 3.7: Population change 2024 to 2041 by broad age bands – Uttlesford (linked to Standard Method)</b>				
	2024	2041	Change in population	% change from 2024
Under 16	16,856	19,864	3,008	17.8%
16-64	57,421	68,454	11,033	19.2%
65 and over	20,343	30,664	10,321	50.7%
Total	94,621	118,983	24,362	25.7%

Source: Demographic Projections

## Relationship Between Housing and Economic Growth

3.38 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

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

### Growth in Resident Labour Supply

3.39 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report) – this data has then been rebased to information in the 2021 Census (on age, sex and economic activity).

3.40 The table below shows the assumptions made for the District. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

**Figure 3.8: Projected changes to economic activity rates (2024 and 2041) – Uttlesford**

	Males			Females		
	2024	2041	Change	2024	2041	Change
16-19	37.2%	37.7%	0.5%	35.9%	36.3%	0.4%
20-24	85.5%	85.5%	0.0%	83.1%	83.1%	0.0%
25-29	92.3%	92.3%	0.0%	84.9%	84.9%	0.0%
30-34	94.1%	94.1%	0.0%	84.2%	84.1%	0.0%
35-39	94.1%	94.0%	-0.1%	83.9%	84.8%	0.9%
40-44	94.7%	93.9%	-0.9%	84.5%	86.6%	2.1%
45-49	95.5%	94.3%	-1.2%	83.9%	87.4%	3.5%
50-54	91.6%	91.0%	-0.6%	81.3%	85.1%	3.8%
55-59	86.9%	86.2%	-0.7%	73.4%	75.7%	2.4%
60-64	75.6%	80.3%	4.7%	61.3%	66.6%	5.3%
65-69	43.2%	54.4%	11.3%	29.2%	40.5%	11.4%
70-74	19.8%	22.4%	2.6%	10.6%	16.7%	6.0%
75-89	9.7%	10.0%	0.3%	4.3%	6.8%	2.5%

Source: Based on OBR and Census (2021) data

3.41 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the District – this is set out in the table below. The analysis shows that the projection linked to the Standard Method results in growth in the economically-active population of 12,300 people – a 25% increase.

**Figure 3.9: Estimated change to the economically active population (2024-41) – Uttlesford**

	Economically active (2024)	Economically active (2041)	Total change in economically active	% change
Standard Method	48,810	61,132	12,323	25.2%

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

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

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

### *Commuting Patterns*

- 3.43 The table below shows summary data about commuting to and from Uttlesford from the 2011 and 2021 Census. Data from both sources is used as the 2011 data is quite old, but the 2021 data could be influenced by the COVID-19 pandemic.
- 3.44 In 2011, the data shows a modest level of net out-commuting for work with the number of people resident in the area who are working being 1.1% higher than the total number who work in the area. In 2021, this pattern looks to have changed to one of a net in-commute with there being around 7.5% more people working in the area than live in the area (and are working). The difference between the numbers living and working in the area are shown as a commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).
- 3.45 When comparing the two sources it is clear the main difference is a large increase in the number of home workers (or those of no fixed workplace) in 2021 compared with 2011. As the country has moved away from the pandemic, it is possible this figure has started to reduce slightly.

<b>Figure 3.10: Commuting patterns (2011 and 2021) – Uttlesford</b>		
	2011	2021
Live and Work in LA	13,006	9,064
Home workers or no fixed workplace	10,028	24,882
In-commute	17,652	15,503
Out-commute	18,110	11,794
Total working in LA	40,686	49,449
Total living in LA and working	41,144	45,740
Commuting Ratio	1.011	0.925

Source: Census 2011, 2021

- 3.46 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the Census (a 2011 and a 2021 scenario). A sensitivity has also been developed where commuting for new jobs is assumed to be on a 1:1 ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

### *Double Jobbing*

- 3.47 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) for the past 5-years (for which data exists) suggests across the District that typically about 6% of workers have a second job.

3.48 For the purposes of this assessment it has therefore been assumed that around 6% of people will have more than one job moving forward – this means the number of jobs supported by the workforce will be around 6% higher than workforce growth. It has been assumed in the analysis that the level of double jobbing will remain constant over time.

*Unemployment*

3.49 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given there is likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers.

3.50 Given the estimates of economic activity and job growth are taken from 2024 it is considered that there is no need to include a further adjustment to take account of the pandemic. Essentially it is assumed that people who lost employment through the pandemic will now be back in work (where they are seeking work) and so there is no latent labour supply available to fill additional jobs.

Jobs Supported by Growth in the Resident Labour Force

3.51 The table below shows how many additional jobs might be supported by population growth under the Standard Method projection. Given different assumptions about commuting patterns and estimates about double jobbing, it is estimated that between 13,000 and 14,200 additional jobs could be supported by the changes to the resident labour supply over the 2024-41 period.

<b>Figure 3.11: Jobs supported by demographic projections (2024-41)</b>			
	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
2011 commuting	12,323	13,109	12,963
2021 commuting	12,323	13,109	14,172
1:1 commuting	12,323	13,109	13,109

Source: Derived from a range of sources

Economic Forecasts

3.52 The estimated growth in labour supply and jobs supported can be compared with local economic forecasts with data provided by Icen Projects as part of work on an Employment Needs Update in September 2023<sup>2</sup>.

3.53 From paragraph 4.36 to 4.38 of that report conclusions are drawn about a reasonable level of job growth to plan for – taking account of not just a baseline position but also a number of known planned developments. Over the 2022-41 period, the report concluded that job growth of 10,600 would be reasonable to plan for.

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<sup>2</sup> [https://assets.publishing.service.gov.uk/media/6594448f80a3bb000d9d0671/Uttlesford\\_Employment\\_Needs\\_Update\\_2023\\_-\\_Final\\_Report\\_checked.pdf](https://assets.publishing.service.gov.uk/media/6594448f80a3bb000d9d0671/Uttlesford_Employment_Needs_Update_2023_-_Final_Report_checked.pdf)

- 3.54 This figure is below the estimated number of jobs that could be supported by population growth associated with the Standard Method (for a slightly shorter 2024-41 period) and suggests there is no upside to housing numbers due to economic growth.

### Overall Housing Need: Key Messages

- The LHNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 675 dwellings per annum. This is based on household growth of 482 per annum and a (capped) uplift for affordability of 40%.
- The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF December 2023 which sees some strengthening of the encouragement for local authorities to consider exceptional circumstances.
- Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Uttlesford, the revision were very minor and unlikely to have any notable impact on the projections.
- The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend (sources showing both higher and lower population estimates than had previously been projected and this did not point to any exceptional circumstances).
- Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable.
- A final demographic analysis considered more recent trends to 2023 and also the implications of the latest (2021-based) national population projections. Again, neither of these sources pointed to there being anything ‘exceptional’ in Uttlesford.
- Past build rates were also considered as areas with strong growth might be able to provide more homes than the Standard Method (also high delivery might point to an over-supply of housing). In Uttlesford, whilst delivery has been strong, averaging 540 dwellings per annum over the past decade) it is again not considered that this provides any evidence to suggest a higher or lower figure than the Standard Method.
- Overall, it was therefore concluded in demographic terms that the Standard Method is a reasonable assessment of housing need for Uttlesford (noting the premise of the method itself has not been challenged in this report). The new Local Plan is due to have a plan period of 2021-41 which leads to an overall need for 13,500 dwellings (675×20). Between 2021 and 2024, there were a total of 1,802 net completions, leaving 11,698 to be provided to meet the calculated need (at a rate of 688 per annum).
- On that basis a bespoke demographic projection was developed to look at how the population might change if 688 homes per annum were delivered over the period to 2041 (from 2024). This showed continued strong population growth and an ageing of the population, although notable growth in the number of children and those of ‘working-age’ is also projected.
- As a final test on exceptional circumstances, the Standard Method projection was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported. Overall, it was projected the labour supply would increase by around 25% over the 2024-41 period and that this could support around 13,000-14,200 additional jobs – this is higher than the job growth forecast by the 2023 Employment Need Assessment (10,600 additional jobs in the 2022-41 period) and therefore does not point to a need to plan for housing in addition to the Standard Method.

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## 4. Affordable Housing Need

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### Introduction

- 4.1 This section provides an assessment of the need for affordable housing in Uttlesford. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 4.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need from households unable to buy OR rent housing and secondly from households able to rent but not buy. For convenience these analyses are labelled as a need for ‘social/affordable rented housing’ and ‘affordable home ownership’ although in reality it is possible for a home ownership product to fit into the rented category (as long as the price is sufficiently low) or for a rented product (such as rent-to-buy) to be considered as affordable home ownership.
- 4.3 The analysis also considers First Homes, which looks likely to become a new tenure (potentially replacing other forms of affordable home ownership). Further information about First Homes was set out in a Planning Practice Guidance in May 2021.

### Methodology Overview

- 4.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks a need for ‘*affordable housing for rent*’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;
  - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
  - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
  - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.
- 4.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

- 4.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 4.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that “*cannot afford their own homes, either to rent, or to own, where that is their aspiration*” as having an affordable housing need.
- 4.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and consider a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 4.9 The analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).
- 4.10 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

## Local Prices and Rents

- 4.11 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need’. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 4.12 The analysis below considers the entry-level costs of housing to both buy and rent across the District. The approach has been to analyse a range of sources, including Land Registry and ONS data along with an internet search of homes available in the market to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.



- 4.13 Data from the Land Registry for the year to March 2024 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £160,000 for a second-hand flat and rising to £480,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £335,000 – all figures have been rounded to the nearest £5,000. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership properties.

	Lower quartile price
Flat/maisonette	£160,000
Terraced	£310,000
Semi-detached	£365,000
Detached	£480,000
All dwellings	£335,000

Source: Land Registry

- 4.14 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £160,000 for a 1-bedroom home, rising to £495,000 for homes with 4-bedrooms.

	Lower quartile price
1-bedroom	£160,000
2-bedrooms	£260,000
3-bedrooms	£370,000
4-bedrooms	£495,000
All Dwellings	£335,000

Source: Land Registry and Internet Price Search

- 4.15 A similar analysis has been carried out for private rents. For this, reference has been made to Office for National statistics (ONS) data (which covers a 12-month period to September 2023) supplemented by a review of available properties through an internet search – these latter figures provide an indication of current costs to access the market, whereas the ONS data includes existing tenancies which may be at a lower rent. The analysis shows an average lower quartile cost (across all dwelling sizes) of £1,025 per month.

**Figure 4.3: Current estimated lower quartile market rents – Uttlesford**

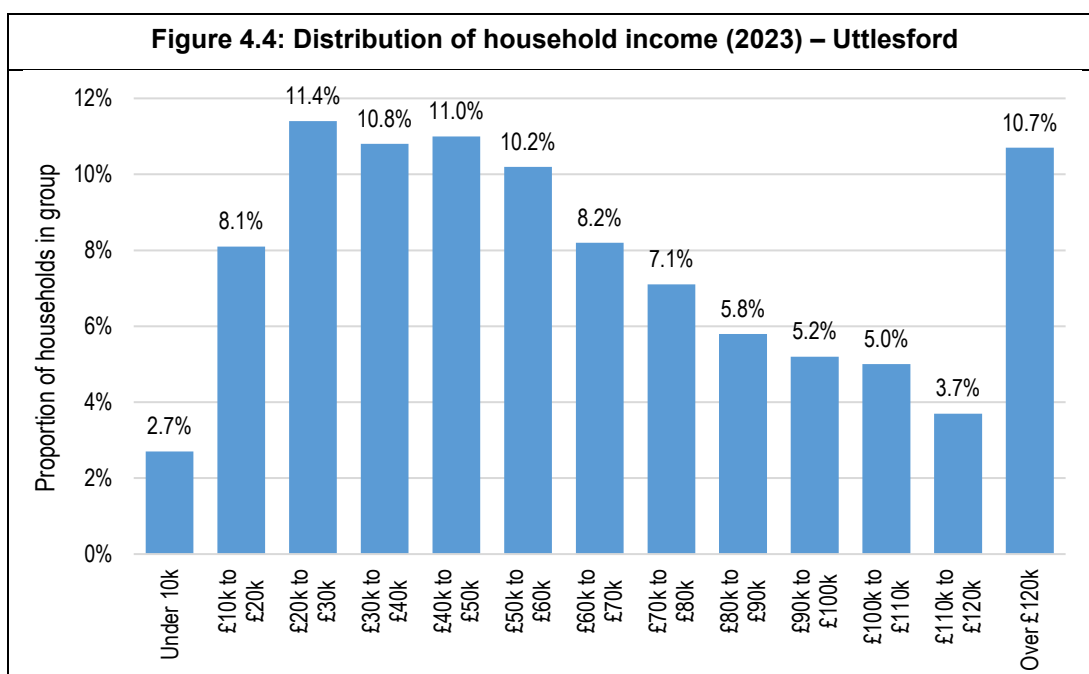
	Lower Quartile rent, pcm
1-bedroom	£850
2-bedrooms	£1,100
3-bedrooms	£1,400
4-bedrooms	£1,900
All properties	£1,025

Source: Housing Market Survey

## Household Incomes

4.16 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates updated to a 2023 base using data from the Annual Survey of Hours and Earnings (ASHE). Additional data from the English Housing Survey (EHS) has been used to provide information about the distribution of incomes.

4.17 Drawing this data together an income distribution for the whole District has been constructed for 2023. The figure below shows that just under a quarter of households have incomes below £30,000 with a further fifth in the range of £30,000 to £50,000. Overall, the average (mean) income is estimated to be around £65,000, with a median income of £55,900; the lower quartile income of all households is estimated to be £32,500.



Source: Derived from a range of data

## Affordability Thresholds

- 4.18 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 4.19 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 4.20 Lower quartile rent levels in Uttlesford are typically higher than average in comparison to other locations (ONS data points to a lower quartile rent of £925 in existing tenancies, compared with £750 across the East of England region and £650 nationally. This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £1,025 pcm rent would imply a gross household income of about £41,000 (and in net terms the rent would likely be around 40% of income).
- 4.21 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 4.22 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 4.23 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 4.24 The table below shows the estimated incomes required to both buy and rent (privately). This shows a notable 'gap' across the District. The information in the table below is taken forward into further analysis in this section to look at affordable needs for different types of housing.

	To buy	To rent (privately)	Income gap
Uttlesford	£67,000	£41,000	£26,000

Source: Based on Housing Market Cost Analysis

## Need for Social/Affordable Rented Housing

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

### Current Need

4.26 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing <sup>3</sup>	2021 Census table RM099	Analysis undertaken by tenure
Concealed households <sup>4</sup>	2021 Census table RM009	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

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

<sup>3</sup> <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2199>

<sup>4</sup> <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2109>

- 4.28 The table below sets out the categories in the PPG and estimates of the number of households within each need category. This shows an estimated need from around 1,860 households. The data draws on a number of sources, including the 2021 Census.

	Households	% of households
Concealed/homeless household	502	27.0%
Households in overcrowded housing	524	28.2%
Existing affordable housing tenants in need	105	5.6%
Households from other tenures in need	729	39.2%
<b>TOTAL</b>	<b>1,859</b>	<b>100.0%</b>

Source: Derived from a range of sources

- 4.29 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households it is assumed incomes will be low and households unlikely to be able to afford to rent privately. The table below shows just over half of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 1,014 households.

	Number in need	% unable to afford	Current need after affordability
Owner-occupied	471	4.0%	19
Affordable housing	349	79.4%	277
Private rented	538	40.2%	216
No housing (homeless/concealed)	502	100.0%	502
<b>TOTAL</b>	<b>1,859</b>	<b>54.5%</b>	<b>1,014</b>

Source: Derived from a range of sources

- 4.30 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 737 – this estimate can be compared with data from the Council's Housing Register, which at April 2023 had a total of 1,328 applicants of which 538 were considered to be in a reasonable preference category (i.e. having more acute needs).
- 4.31 For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2024-41, the need is annualised by dividing by 17 (to give an annual need for 43 dwellings). This does not mean that some households would be expected to wait 17-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly-Forming Households

- 4.32 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 4.33 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 4.34 In assessing the ability of newly forming households to afford market housing, data has been drawn from the English Housing Survey and also previous housing needs surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is typically around 84% of the equivalent figure for all households – this figure is remarkably consistent across areas and therefore reasonable to use for the data modelling in Uttlesford.
- 4.35 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 4.36 The assessment suggests overall that around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 298 newly forming households will have a need per annum on average across the District.

<b>Figure 4.9: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)</b>			
	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Uttlesford	697	42.7%	298

Source: Projection Modelling/Affordability Analysis

### Existing Households Falling into Affordable Housing Need

- 4.37 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).
- 4.38 In the absence of any guidance in the PPG, this method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that '*Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)*'. Following the analysis through suggests a need arising from 52 existing households each year across the District.

### Supply of Social/Affordable Rented Housing Through Relets

- 4.39 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 4.40 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (LAHS and CoRe) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.41 On the basis of past trend data it has been estimated that 106 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

<b>Figure 4.10: Analysis of Past Social/Affordable Rented Housing Supply, 2020/21 – 2022/23 (average per annum) – Uttlesford</b>					
	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2020/21	212	83.0%	176	50.0%	88
2021/22	225	92.4%	208	55.6%	116
2022/23	304	71.4%	217	53.0%	115
Average	247	81.1%	200	52.9%	106

Source: LAHS/CoRe

4.42 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Housing

4.43 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 287 dwellings per annum across the area. The net need is calculated as follows:

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

<b>Figure 4.11: Estimated Need for Social/Affordable Rented Housing (per annum)</b>	
	Per annum
Current need	43
Newly forming house-holds	298
Existing house-holds falling into need	52
Total Gross Need	393
Relet Supply	106
Net Need	287

Source: Derived from a range of sources

**The Relationship Between Affordable Need and Overall Housing Numbers**

4.44 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

*‘The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes’*

4.45 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be ‘arithmetically’ linked.



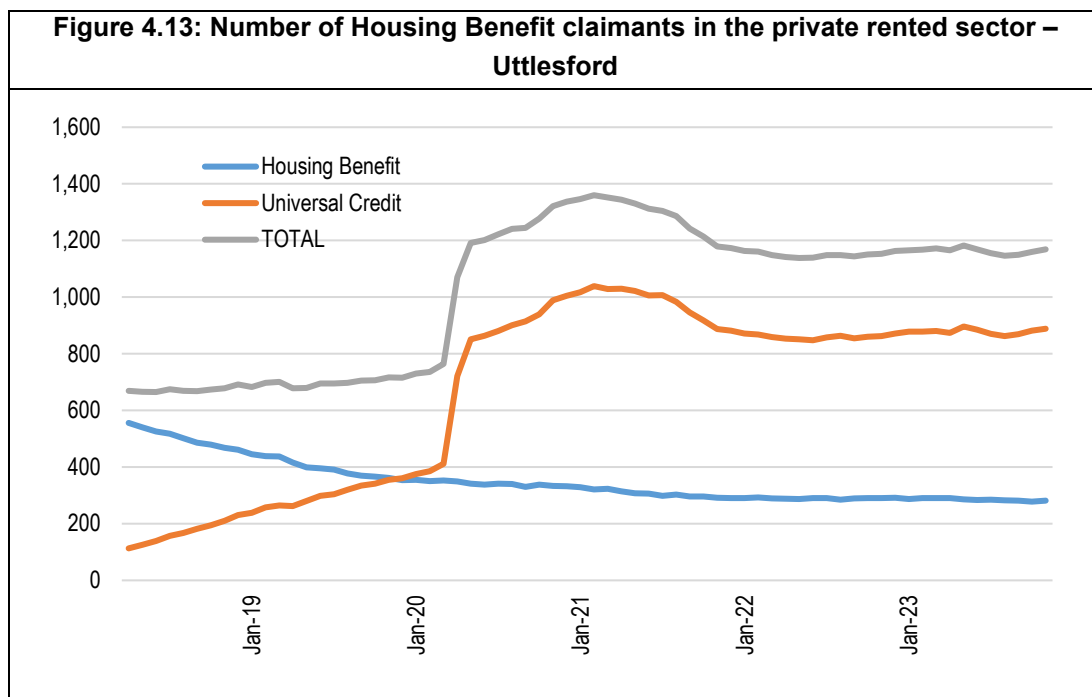
- 4.46 Firstly, the modelling contains a category in the projection of *'existing households falling into need'*; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains *'newly forming households'*; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.
- 4.47 This just leaves the *'current need'*; much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households) – these households are not included in the demographic modelling and so are arguably an additional need, although uplifts for market signals/affordability (as included in the Government's Standard Method) would be expected to deal with such households.
- 4.48 The analysis estimates an annual need for 287 rented affordable homes, which is notionally 42% of a Local Housing Need of 688 dwellings per annum (as calculated using the Standard Method for the 2024-41 period). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).
- 4.49 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 221 homes per annum across the District – notionally 32% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 4.50 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as over and above any need derived through the normal process of looking at need. Indeed, only the 30 per annum (current need) is in addition to demographic projections and this scale of uplift will already have been included in figures when moving from a demographic start point to an estimate of housing need using the Standard Method.

<b>Figure 4.12: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Uttlesford</b>		
	Including existing households	Excluding existing households
Current need	43	30
Newly forming households	298	298
Existing households falling into need	52	0
Total Gross Need	393	327
Re-let Supply	106	106
Net Need	287	221

Source: Derived from a range of sources

- 4.51 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would ‘fall out of need’ and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household’s income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 4.52 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.
- 4.53 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.
- 4.54 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: *‘Affordable housing: housing for sale or rent, for those whose needs are not met by the market’* [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.

- 4.55 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of November 2023, it is estimated that there were around 1,170 benefit claimants in the private rented sector in Uttlesford. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 4.56 The figure below shows the trend in the number of claimants in the District. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 700 households).



Source: Department of Work and Pensions

- 4.57 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.
- 4.58 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and interpreting the affordable need figure consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.

- 4.59 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 4.60 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations, along with an understanding of demographic trends and economic growth.

### Split Between Social and Affordable Rented Housing

- 4.61 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 4.62 The table below shows current rent levels in the District for a range of products along with relevant local housing allowance (LHA) rates. Uttlesford is split across a number of Broad Rental Market Area (BRMA) for the purposes of LHA, with the main ones being Cambridge (which includes Saffron Walden) and Harlow & Stortford (which includes Great Dunmow).
- 4.63 Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents. This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than lower quartile market rents.
- 4.64 The LHA rates for virtually all sizes of home are below lower quartile market rents. This does mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent (even where they can find a landlord willing to accept benefit tenants).

**Figure 4.14: Comparison of rent levels for different products – Uttlesford**

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Cambridge)	LHA (Harlow & Stortford)
1-bedroom	£404	£610	£850	£898	£808
2-bedrooms	£464	£758	£1,100	£947	£1,022
3-bedrooms	£517	£889	£1,400	£1,122	£1,207
4-bedrooms	£580	£1,095	£1,900	£1,446	£1,371
All	£480	£756	£1,025	-	-

Source: RSH, market survey and VOA

- 4.65 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the table below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes (this is the main stock size held by Affordable Housing Providers, 42% of social rented housing and 49% of affordable rents). This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) but that affordable rents (as currently charged) represent 69% of a current lower quartile rent.

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	66%	48%	72%
2-bedrooms	61%	42%	69%
3-bedrooms	58%	37%	63%
4-bedrooms	53%	31%	58%
All	63%	47%	74%

Source: RSH, market survey and VOA

- 4.66 The table below suggests that around 14% of households who cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 5% being able to afford current affordable rents. There are also an estimated 31% who can afford a social rent (but not an affordable one). A total of 49% of households would need some degree of benefit support (or spend more than 30% of income on housing) to be able to afford their housing (regardless of the tenure). This analysis points to a clear need for social rented housing.

	% of households able to afford
Afford 80% of market rent	14%
Afford current affordable rent	5%
Afford social rent	31%
Need benefit support	49%
All unable to afford market	100%

Source: Affordability analysis

- 4.67 The analysis indicates that provision of around 80% of rented affordable housing at social rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence. Higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs.

## Establishing a Need for Affordable Home Ownership

- 4.68 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including *'households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home'*. However, at the time of writing, there is no guidance about how the number of such households should be measured.

- 4.69 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the ‘gap’ between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 4.70 The analysis has been developed in the context of First Homes with the Government proposing that 25% of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes (from the relevant PPG (70-001)) can be found later in this document.

Gross Need for Affordable Home Ownership

- 4.71 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the District – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 4.72 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 33% already have sufficient income to buy a lower quartile home, with 27% falling in the rent/buy ‘gap’. The final 40% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 4.73 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

<b>Figure 4.17: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing</b>			
	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Uttlesford	33%	27%	40%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 4.74 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household’s life stage (e.g. if moving locations with employment).

- 4.75 In terms of the potential for deposits to be a barrier to home ownership it needs to be remembered the analysis in this report does not specifically factor in deposits due to good local information not typically being available; however, the English Housing Survey (2021-22) did collect data on savings (nationally) and this showed that 22% of owners, 48% of households in the private rented sector and 74% of social tenants did not have any savings. Access to deposits will therefore be a potential barrier to accessing housing for some households
- 4.76 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2021 Census there were some 5,375 households living in the sector across the District.
- 4.77 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (3,225 households if applied to Uttlesford) and of these some 40% (1,290 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.78 As noted above, on the basis of income it is estimated that around 27% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 346 affordable home ownership units (20 per annum if annualised over the 2024-41 period).
- 4.79 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 216 dwellings (185 from newly forming households and 31 from existing households in the private rented sector).
- 4.80 Bringing together the above analysis suggests that there is a need for around 236 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the District. This is before any assessment of the potential supply of housing is considered.

<b>Figure 4.18: Estimated Gross Need for Affordable Home Ownership (per annum)</b>				
	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Uttlesford	20	185	31	236

Source: Derived from a range of sources

#### Potential Supply of Housing to Meet the Affordable Home Ownership Need and Net Need

- 4.81 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

- 4.82 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2023 of 617 homes. If these homes were to turnover at the same rate seen for the social housing stock then they would be expected to generate around 15 resales each year. These properties would be available for these households and can be included as the potential supply.
- 4.83 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Uttlesford there were a total of 1,019 resales (i.e. excluding newly-built homes) in the last year (year to March 2023, based on ONS small area house price data) and therefore around 255 would be priced below the lower quartile.
- 4.84 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile<sup>5</sup>. Other recent data suggests that first time buyers account for around half of home purchase loans<sup>6</sup> with a total of around 65% of all homes being bought with a loan (35% as cash buyers<sup>7</sup>).
- 4.85 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% × 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.
- 4.86 We can therefore now provide three supply estimates which can be considered in the context of the estimated need. These are:
- Only count the supply from affordable home ownership resales (15 per annum);
  - Include the supply from affordable home ownership and half of resales of lower quartile homes (142 per annum (127+15)); and
  - Include the supply from affordable home ownership and all resales of lower quartile homes (270 per annum (255+15)).
- 4.87 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 221 dwellings per annum and this reduces to 94 if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there a modest surplus need for affordable home ownership. Overall, the analysis shows it is difficult to conclude what the need for affordable home ownership is.

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<sup>5</sup> [https://thinkhouse.org.uk/site/assets/files/1614/2010\\_20nhpau\\_202.pdf](https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf)

<sup>6</sup> <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

<sup>7</sup> <https://www.ft.com/content/e0ad2830-094f-4e61-acaa-d77457e2edbb>



	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	236	236	236
LCHO supply	15	142	270
Net need	221	94	-34

Source: Derived from a range of sources

## Different Home Ownership Products

- 4.88 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although it is difficult to fully quantify this 'need' and the analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered).
- 4.89 The table below sets out a suggested purchase price for affordable home ownership/First Homes in Uttlesford by size. It works through first (on the left hand side) what households with an affordable home ownership need could afford (based on a 10% deposit and a mortgage at 4.5 times' income). The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount. The lower end of the range is based on households who could afford to rent privately without financial support at LQ rents; with the upper end based on the midpoint between this and the lower quartile house price.
- 4.90 Focussing on 2-bedroom homes, it is suggested that an affordable price is between £220,000 and £240,000 and therefore the open market value of homes would need to be in the range of £314,300 and £342,900 (if discounted by 30%). For 3-bedroom homes the affordable price is in the range of £280,000 and £325,000 – given the £250,000 price cap on First Homes, this data suggests it might be very difficult to make First Homes genuinely affordable in a local context for homes with more than 2-bedrooms.

	What households with an affordable home ownership need could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£160,000	£228,600
2-bedrooms	£220,000-£240,000	£314,300-£342,900
3-bedrooms	£280,000-£325,000	£400,000-£464,300
4+-bedrooms	£380,000-£437,500	£542,900-£625,000

Source: Derived from market survey data

- 4.91 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove with the table below providing a general summary of existing schemes.

- 4.92 This analysis is interesting as it shows the median newbuild price for all sizes of homes is above the top end of the OMV required to make homes affordable to those in the gap between buying and renting (with the exception of 1-bedroom homes although the sample of newbuild was very limited (only one development). That said, homes at the bottom end of the price range could potentially be discounted by 30% and considered as affordable for some sizes.
- 4.93 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing. Overall, it is considered the evidence does not support central Government’s position that 25% of affordable housing should be provided as First Homes in a local context.

**Figure 4.21: Estimated newbuild housing cost by size – Uttlesford**

	No. of homes advertised	Range of prices	Median price
1-bedroom	4	£200,000	£200,000
2-bedrooms	11	£365,000-£490,000	£400,000
3-bedrooms	59	£400,000-£1,150,000	£520,000
4+-bedrooms	123	£525,000-£1,600,000	£685,000

Source: Derived from market survey data

- 4.94 The analysis below moves on to consider shared ownership, for this analysis an assessment of monthly outgoings has been undertaken with a core assumption being that the outgoings should be the same as for renting privately so as to make this tenure genuinely affordable. The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 25% and 50% share.
- 4.95 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes). That said, even with 25% equity shares the OMVs needing to be achieved are below the median newbuild prices shown above for all dwelling sizes (other than 1-bedroom).

**Figure 4.22: Estimated OMV of Shared Ownership with a 50% and 25% Equity Share by Size – Uttlesford**

	50% share	25% share
1-bedroom	£241,000	£292,000
2-bedroom	£312,000	£378,000
3-bedroom	£398,000	£482,000
4-bedrooms	£540,000	£654,000

Source: Derived from market survey data

- 4.96 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller ‘step’ to be taken on to the home ownership ladder.

- 4.97 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 4.98 In order to access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

## Implications of the Analysis

- 4.99 Given the analysis above, there may be a case to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is largely based on only considering supply from resales of affordable housing. If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut. Regardless, the analysis is clear of much greater needs for rented forms of affordable housing.
- 4.100 Regardless, it does seem that there are many households in Uttlesford who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 31% from 2011 to 2021 (following a much higher increase in the 2001-11 period. Over the same period (2011-21), the number of owners with a mortgage increased by a more modest 10%. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.101 On this basis, and as previously noted, it seems likely in Uttlesford that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).
- 4.102 The NPPF gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 4.103 Firstly regarding the 10%, it is not clear that this is the best solution in the District. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would '*significantly prejudice the ability to meet the identified affordable housing needs of specific groups*'. In Uttlesford, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.

- 4.104 Regarding the 25% of affordable housing as First Homes, it is not clear whether there is any scope to challenge the 'minimum of 25%', nor what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 4.105 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.
- 4.106 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.107 There may also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 4.108 In addition, it should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

### Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy OR rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy OR rent, the analysis suggests a need for 287 affordable homes per annum across the District.
- Despite the level of need being high in relation to the Standard Method, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home) – indeed removing households from the modelling who are already in accommodation reduces the need to 221 per annum. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at AHO products, the analysis is inconclusive about the scale of the need, although the evidence does suggest that there are many households in Uttlesford who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- However, given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

**Affordable Housing Need: Key Messages (cont...)**

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

## 5. Housing Mix

### Introduction

5.1 This section considers the appropriate mix of housing across Uttlesford, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

### Background Data

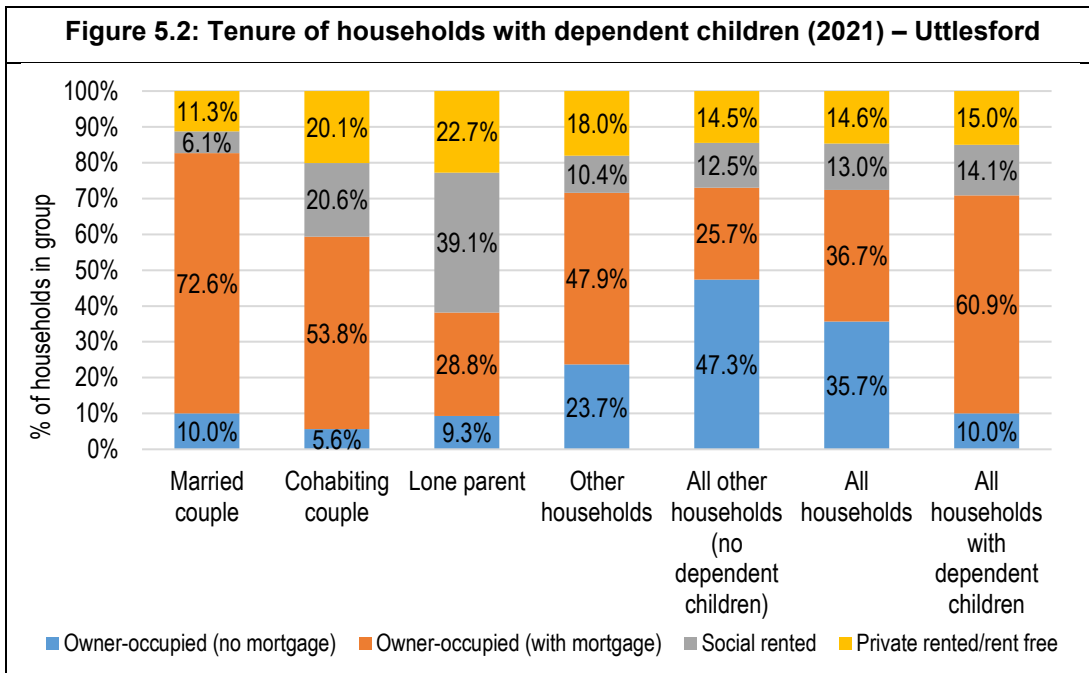
5.2 The number of families in Uttlesford (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 11,600 as of the 2021 Census, accounting for 31% of households; this proportion is slightly higher than seen in other areas and within this group a higher proportion of married couple households can be observed.

**Figure 5.1: Households with dependent children (2021)**

	Uttlesford		Essex	East of England	England
	No.	%	%	%	%
Married couple	7,158	19.4%	15.3%	14.4%	15.5%
Cohabiting couple	1,786	4.8%	5.0%	4.5%	4.8%
Lone parent	1,948	5.3%	6.4%	6.9%	6.3%
Other households	677	1.8%	2.2%	2.7%	2.4%
All other households	25,391	68.7%	71.1%	71.5%	71.0%
Total	36,960	100.0%	100.0%	100.0%	100.0%
Total with dependent children	11,569	31.3%	28.9%	28.5%	29.0%

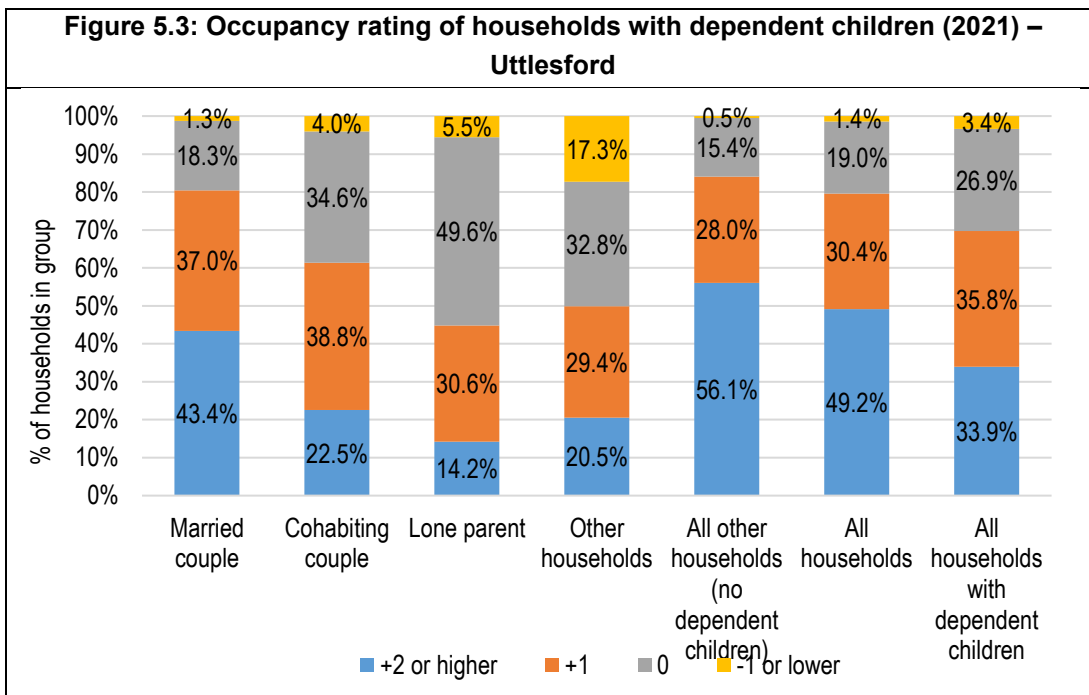
Source: Census (2021)

5.3 The figure below shows the current tenure of households with dependent children – data again from the 2021 Census. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Uttlesford, only 38% of lone parent households are owner-occupiers compared with 83% of married couples with children.



Source: Census (2021)

5.4 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children, with 6% of all lone parents and 17% of ‘other’ households being overcrowded. Overall, some 3.4% of households with dependent children are overcrowded, compared with 0.5% of other households. Levels of under-occupancy are also notably lower in households with dependent children.



Source: Census (2021)



## The Mix of Housing

- 5.5 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 5.6 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed over the assessment period to 2041 (from 2024).
- 5.7 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up 83% of the total in this tenure group, a notably higher proportion to that seen in other locations). The profile of the social rented sector is broadly similar across areas as is the private rented sector (again a slightly larger mix in Uttlesford in both sectors). Observations about the current mix feed into conclusions about future mix later in this section.

**Figure 5.4: Number of Bedrooms by Tenure, 2021**

		Uttlesford	Essex	East region	England
Owner-occupied	1-bedroom	3%	4%	4%	4%
	2-bedrooms	14%	21%	20%	21%
	3-bedrooms	35%	41%	44%	46%
	4+-bedrooms	48%	33%	32%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.29	3.03	3.05	3.01
Social rented	1-bedroom	25%	32%	29%	29%
	2-bedrooms	39%	34%	35%	36%
	3-bedrooms	33%	30%	32%	31%
	4+-bedrooms	3%	4%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.14	2.07	2.11	2.10
Private rented	1-bedroom	17%	21%	21%	21%
	2-bedrooms	35%	41%	38%	39%
	3-bedrooms	33%	29%	30%	29%
	4+-bedrooms	15%	10%	11%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.46	2.28	2.31	2.30

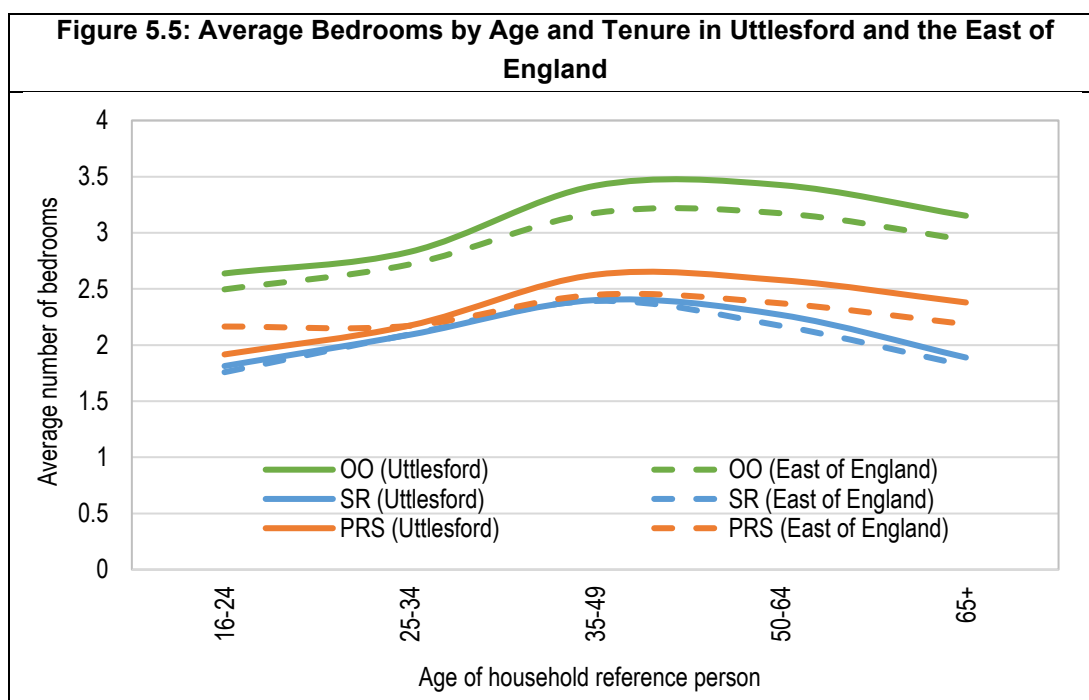
Source: Census (2021)

## Overview of Methodology

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

### Understanding How Households Occupy Homes

- 5.9 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 5.10 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 5.11 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 5.12 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 5.13 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).
- 5.14 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Uttlesford and the East of England region. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes and an earlier peak) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies some differences between Uttlesford and the region with dwellings in Uttlesford typically being larger, although the pattern of average dwelling sizes by age of HRP are similar in both areas.



5.15 The analysis uses the existing occupancy patterns at a local and regional level as a start point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are.

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

#### Changes to Households by Age

5.16 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in all age groups and in particular older age groups. The number of households headed by someone aged 50-64 is however projected to see a more modest increase over the period studied. The analysis is aligned to the current standard method need.

**Figure 5.6: Projected Change in Household by Age of HRP in Uttlesford – linking to Standard Method – 688 dwellings per annum (2024-41))**

	2024	2041	Change in Households	% Change
Under 25	391	513	122	31.0%
25-34	3,581	4,711	1,130	31.5%
35-49	9,843	11,731	1,888	19.2%
50-64	12,171	13,689	1,518	12.5%
65-74	5,571	7,806	2,236	40.1%
75-84	5,190	7,669	2,479	47.8%
85+	2,115	4,101	1,986	93.9%
Total	38,863	50,220	11,358	29.2%

Source: Demographic Projections

### Initial Modelled Outputs

- 5.17 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 5.18 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes but around a fifth of households as requiring 3+-bedroom accommodation – it should be noted the table below excludes cases where bedroom requirement information was not available.

**Figure 5.7: Size of Social/Affordable Rented Housing Needed – Housing Register Information**

	Number of households	% of households
1-bedroom	657	51%
2-bedrooms	368	29%
3-bedrooms	213	17%
4+-bedrooms	50	4%
TOTAL	1,288	100%

Source: LAHS

- 5.19 The table below show the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	3%	20%	41%	36%
Affordable home ownership	20%	38%	31%	12%
Affordable housing (rented)	30%	37%	30%	3%

Source: Housing Market Model

## Adjustments for Under-Occupation and Overcrowding

5.20 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).

5.21 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2021) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).

5.22 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2021, there were 24,100 households with some degree of under-occupation and just 160 overcrowded households.

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	5,477	10,966	16,443
+1	0	3,051	2,873	1,708	7,632
0	672	743	882	207	2,504
-1	26	49	60	26	161
TOTAL	698	3,843	9,292	12,907	26,740

Source: Census (2021)

5.23 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

<b>Figure 5.10: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Uttlesford</b>					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	414	60	474
+1	0	856	453	56	1,365
0	1,154	905	628	40	2,727
-1	51	112	75	4	242
TOTAL	1,205	1,873	1,570	160	4,808

Source: Census (2021)

<b>Figure 5.11: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Uttlesford</b>					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	706	542	1,248
+1	0	1,307	735	201	2,243
0	887	541	316	52	1,796
-1	39	38	31	9	117
TOTAL	926	1,886	1,788	804	5,404

Source: Census (2021)

5.24 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy. This does need to be recognised as an assumption, but can be seen to be reasonable as they do retain some (considerable) degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).

5.25 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

<b>Figure 5.12: Adjusted Modelled Mix of Housing by Size and Tenure – Uttlesford</b>				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	3%	25%	44%	27%
Affordable home ownership	21%	42%	28%	9%
Affordable housing (rented)	30%	38%	28%	4%

Source: Housing Market Model (with adjustments)

- 5.26 Across the District, the analysis points to around a third of the rented affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below.
- 5.27 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

**Figure 5.13: Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Uttlesford**

Age of HRP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	25%	34%	34%	7%
65 and over	36%	64%		
All affordable housing (rented)	30%	38%	28%	4%

Source: Housing Market Model

- 5.28 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 287 dwellings per annum) with additional data from CoRe about the sizes of homes let over the past three years.
- 5.29 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation where it is estimated the supply is only around 5% of the need arising each year, whereas for 1- and 2-bedroom homes around a third of the need can be met.

**Figure 5.14: Need for rented affordable housing by number of bedrooms**

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	104	32	71	24.9%	31.3%
2-bedrooms	154	55	98	34.3%	36.1%
3-bedrooms	114	17	97	33.9%	14.8%
4+-bedrooms	21	1	20	6.9%	5.4%
Total	393	106	287	100.0%	27.0%

Source: Derived from a range of sources

## Indicative Targets for Different Sizes of Property by Tenure

5.30 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

### Social/Affordable Rented Housing

5.31 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).

5.32 As noted, the conclusions also consider the Housing Register and also take account of the current profile of housing in this sector. In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

General Needs	Housing for Older People
• 1-bedroom: 25%	• 1-bedroom: 40%
• 2-bedroom: 30%	• 2+-bedroom: 60%
• 3-bedroom: 35%	
• 4+-bedroom: 10%	

### Affordable Home Ownership

5.33 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate (although it is recognised that analysis did not definitively show a need for this tenure of housing):

- 1-bedroom: 20%
- 2-bedroom: 45%
- 3+-bedroom: 35%



### Market Housing

- 5.34 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). The conclusions have also slightly boosted figures for larger (4+-bedroom) homes to provide more flexibility and to recognise the potential for a general increase in home working (and therefore households seeking an extra room/bedroom to use as office space). This sees a slightly larger recommended profile compared with other tenure groups:
- 1-2-bedroom: 25%
  - 3-bedroom: 45%
  - 4+-bedroom: 30%
- 5.35 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the study area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.
- 5.36 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.
- 5.37 On this point, it is notable (see section on affordable housing) that at the time of drafting this study, the vast majority of new homes for sale were larger properties – 30% as 3-bedroom homes and 62% with 4+-bedrooms. Whilst larger homes may be preferable to developers (they may see higher profits and a lower affordable contribution) it is likely they are not the most suitable size to meet local requirements – the larger homes may be more attractive to households moving into the area. This does emphasize the importance of monitoring and potentially influencing the mix of market housing in the future.

## Smaller-area Housing Mix

- 5.38 The analysis above has focussed on overall District-wide needs with conclusions very much at the strategic level. It should however be recognised that there will be variations in the need within areas due the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to look at smaller-area needs, however, below are some points for consideration when looking at needs in any specific location:
- a) Whilst there will be differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
  - b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;
  - c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock; and
  - d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.
- 5.39 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples.
- 5.40 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement

## Built-form

- 5.41 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

### Bungalows

- 5.42 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.

- 5.43 The table below shows a notable proportion of homes in Uttlesford are bungalows (10% of all flats and houses) with about half of these having 2-bedrooms, and a further 27% 3-bedrooms); a similar proportion (9%) of homes across England are bungalows.

**Figure 5.15: Number of dwellings by property type and number of bedrooms (March 2020) – Uttlesford**

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	420	1,780	960	390	20	3,560
Flat/Maisonette	2,090	1,970	170	50	10	4,280
Terraced house	300	2,380	3,680	770	10	7,150
Semi-detached house	100	1,610	6,120	1,380	20	9,230
Detached house	40	660	3,400	8,670	80	12,850
All flats/houses	2,950	8,400	14,330	11,260	140	37,070
Annexe	-	-	-	-	-	330
Other	-	-	-	-	-	300
Unknown	-	-	-	-	-	500
All properties	-	-	-	-	-	38,180

Source: Valuation Office Agency

- 5.44 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 5.45 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 5.46 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 5.47 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 5.48 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive.

5.49 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger ‘family-sized’ accommodation (with 3+ bedrooms).

Flats versus Houses

5.50 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.

5.51 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Uttlesford, the East of England and England. This shows around a quarter of all 2-bedroom homes are flats. This would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

	Uttlesford	East of England	England
Owner-occupied	17%	20%	25%
Social rented	25%	42%	48%
Private rented	38%	47%	52%
All (2-bedroom)	24%	32%	38%

Source: 2021 Census

5.52 For completeness, the table below shows the proportion of flats in Uttlesford for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats.

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	57%	17%	1%	0%
Social rented	76%	25%	2%	6%
Private rented	67%	38%	4%	2%
All	69%	24%	1%	0%

Source: 2021 Census

- 5.53 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing.

### Housing Mix: Key Messages

- Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Uttlesford is fairly high with around 31% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. An analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which in Uttlesford is notable in the market sector). Our recommended mix is set out below:

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	25%	20%	25%	40%
2-bedrooms		45%	30%	60%
3-bedrooms	45%	35%		
4+-bedrooms	30%	35%	10%	

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, this report also highlighted potential difficulties in making (larger) AHO genuinely affordable.
- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

## 6. Older and Disabled People

### Introduction

- 6.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

### Understanding the Implications of Demographic Change

- 6.2 The population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Uttlesford are presented.

#### Current Population of Older People

- 6.3 The table below provides baseline population data about older persons in Uttlesford and compares this with other areas. The population data has been taken from 2022 mid-year population estimates. The table shows that Uttlesford has a similar age structure to other areas with 21% of the population being aged 65 and over, this compares with 20% regionally and 19% nationally.

	Uttlesford	Essex	East region	England
Under 65	79.3%	79.2%	80.1%	81.4%
65-74	10.5%	10.4%	10.0%	9.6%
75-84	7.4%	7.6%	7.1%	6.5%
85+	2.9%	2.9%	2.8%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	20.7%	20.8%	19.9%	18.6%
Total 75+	10.3%	10.4%	9.9%	9.0%

Source: ONS mid-year population estimates

#### Projected Future Change in the Population of Older People

- 6.4 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Uttlesford is projected to see a notable increase in the older person population. The projection linking to the Standard Method shows a projected increase in the population aged 65+ of around 51% - the population aged Under 65 is in contrast projected to increase by around 19%.

6.5 In total population terms, the projections show an increase in the population aged 65 and over of 10,300 people. This is against a backdrop of an overall increase of 24,400 – population growth of people aged 65 and over therefore accounts for 42% of the total projected population change.

**Figure 6.2: Projected Change in Population of Older Persons, 2024 to 2041 – Uttlesford (linking to Standard Method)**

	2024	2041	Change in population	% change
Under 65	74,277	88,319	14,041	18.9%
65-74	9,917	13,925	4,008	40.4%
75-84	7,570	11,186	3,616	47.8%
85+	2,856	5,553	2,697	94.4%
Total	94,621	118,983	24,362	25.7%
Total 65+	20,343	30,664	10,321	50.7%
Total 75+	10,426	16,739	6,313	60.6%

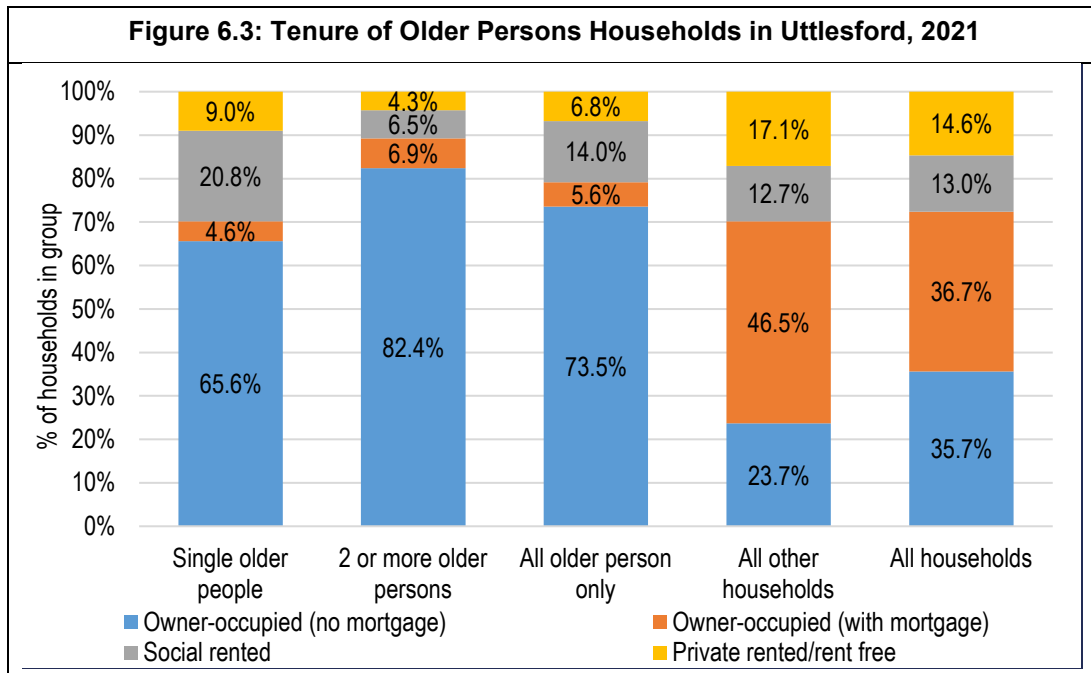
Source: Demographic projections

### Characteristics of Older Person Households

6.6 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (79% of older person households), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 14% of older persons households across the District live in the social rented sector; the proportion of older person households living in the private rented sector is relatively low (about 7%).

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





Source: 2021 Census

## Prevalence of Disabilities

6.8 The table below shows the proportion of people who are considered as disabled under the definition within the 2010 Equality Act<sup>8</sup>, drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 26% of households in the District contain someone with a disability. This figure is lower than seen in other areas. The figures for the population with a disability also show lower proportions when compared with other areas – some 13% of the population having a disability.

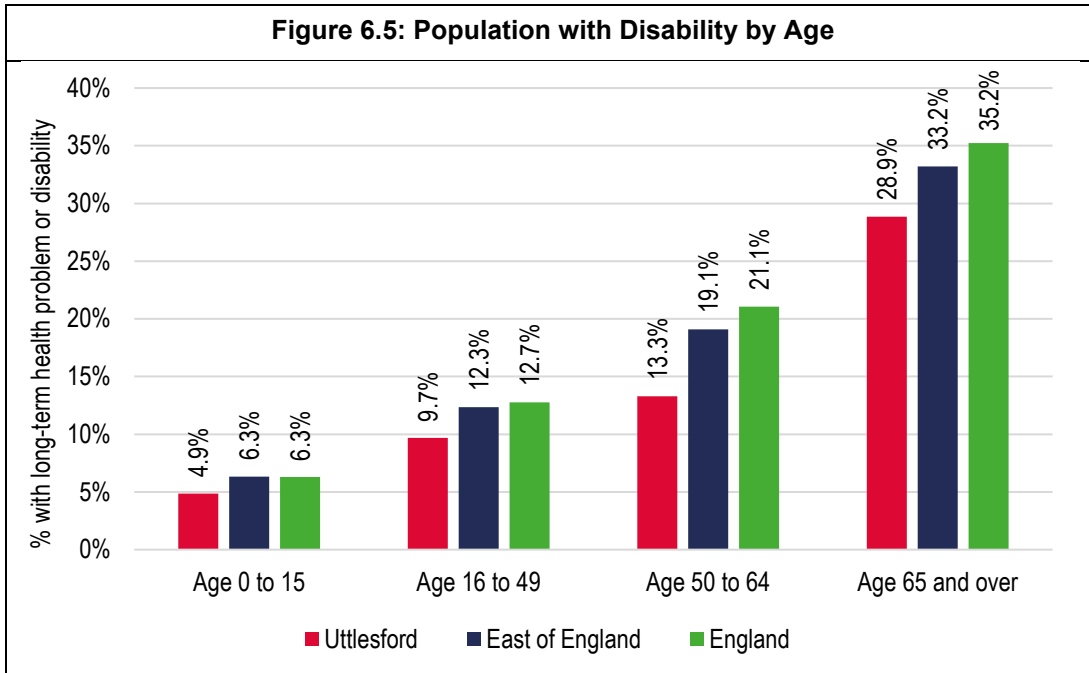
**Figure 6.4: Households and Population with a Disability, 2021**

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Uttlesford	9,753	26.4%	12,230	13.4%
Essex	194,096	31.0%	250,552	16.7%
East region	811,942	30.9%	1,053,832	16.6%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

<sup>8</sup> The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

6.9 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. For older age groups in particular, the analysis also shows lower levels of disability in each age band within Uttlesford when compared with the regional and national position.



Source: 2021 Census

### Health Related Population Projections

- 6.10 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.
- 6.11 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.
- 6.12 Of particular note are the large increases in the number of older people with dementia (increasing by 71% from 2024 to 2041 and mobility problems (up 63% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 8% of total projected population growth.

<b>Figure 6.6: Projected Changes to Population with a Range of Disabilities – Uttlesford (linked to Standard Method)</b>					
Disability	Age Range	2024	2041	Change	% Change
Dementia	65+	1,212	2,072	860	71.0%
Mobility problems	65+	3,115	5,068	1,954	62.7%
Autistic Spectrum Disorders	18-64	377	450	73	19.3%
	65+	158	234	77	48.6%
Learning Disabilities	15-64	992	1,184	192	19.4%
	65+	345	519	174	50.4%
Impaired mobility	16-64	2,369	2,704	335	14.1%

Source: POPPI/PANSI and Demographic Projections

- 6.13 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 6.14 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

### **Need for Specialist Accommodation for Older People**

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

### Definitions of Different Types of Older Persons' Accommodation

**Age-restricted general market housing:** This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

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

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

**Residential care homes and nursing homes (care bedspaces):** These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

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

- 6.19 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are 'outdated' but also noting that the rates from 2011/12 were 'not substantiated'. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.
- 6.20 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 6.21 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

<b>Figure 6.7: Range of suggested baseline prevalence rates from a number of tools and publications</b>			
Type/Rate	SHOP@ (2008) <sup>9</sup>	Housing in Later Life (2012) <sup>10</sup>	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Range of sources as identified

<sup>9</sup> Based on the More Choice Greater Voice publication of 2008 ([https://www.housinglin.org.uk/\\_assets/Resources/Housing/Support\\_materials/Reports/MCGVdocument.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf)). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

<sup>10</sup> [https://www.housinglin.org.uk/\\_assets/Resources/Housing/Support\\_materials/Toolkit/Housing\\_in\\_Later\\_Life\\_Toolkit.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf)

6.22 In interpreting the different potential prevalence rates it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

6.23 We have therefore sought to consider these issues and the appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care – in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.

6.24 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).

6.25 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a disability compared with the England average. In Uttlesford, the data shows better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 13%) – these figures are based on comparing the proportion of people aged 75 and over with a disability in Uttlesford (38.3%) with the equivalent figure for England (43.9%).

6.26 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Uttlesford is the 295<sup>th</sup> most deprived local authority in England (out of 317) – i.e. a lower than average level of deprivation – this suggests a greater proportion of market housing than a local authority in the middle of the range (for housing with support and housing with care).

- 6.27 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).
- 6.28 Overall, the analysis suggests that there will be a notable need for housing with support (particularly in the market sector) and housing with care (again mainly for market housing). The analysis also suggests a need for some additional nursing care bedspaces and for residential care in the longer-term (a current sufficient supply).

**Figure 6.8: Specialist Housing Need using adjusted SHOP@Review Assumptions, 2024-41 – Uttlesford (linked to Standard Method)**

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2041	Shortfall /surplus by 2041
Housing with support	Market	69	449	722	273	437	710
	Affordable	40	569	416	-153	252	98
Total (housing with support)		109	1,018	1,138	120	689	809
Housing with care	Market	29	59	300	241	182	423
	Affordable	10	104	109	5	66	71
Total (housing with care)		39	163	410	247	248	495
Residential care bedspaces		35	442	364	-78	220	142
Nursing care bedspaces		39	192	410	218	248	466
Total bedspaces		74	634	774	140	468	608

Source: Derived from Demographic Projections and Housing LIN/EAC

- 6.29 It can be seen by 2041 there is an estimated need for 1,303 additional dwellings with support or care across the whole District. In addition, there is a need for 608 additional nursing and residential care bedspaces. Typically for bedspaces it is conventional to convert to dwellings using a standard multiplier (1.80 bedspaces per dwelling for older persons accommodation) and this would therefore equate to around 338 dwellings. In total, the older persons analysis therefore points towards a need for around 1,641 units over the 2024-41 period (97 per annum).
- 6.30 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 6.31 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

## Wheelchair User Housing

- 6.32 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them ‘visitable’ for wheelchair users and data about wheelchair users by tenure.
- 6.33 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

**Figure 6.9: Proportion of wheelchair user households by age of household reference person – England**

Age of household reference person	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
24 and under	99.4%	0.3%	0.0%	0.3%	100.0%
25-34	99.3%	0.3%	0.1%	0.2%	100.0%
35-49	98.2%	0.5%	0.1%	1.2%	100.0%
50-64	96.9%	0.7%	0.4%	2.0%	100.0%
65 and over	93.1%	0.9%	0.4%	5.6%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.34 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population. The data estimates a total of 896 wheelchair user households in 2024, and that this will rise to 1,265 by 2041.

**Figure 6.10: Estimated number of wheelchair user households (2024-41) – Uttlesford**

	Prevalence rate (% of households)	Households 2024	Households 2041	Wheelchair user households (2024)	Wheelchair user households (2041)
24 and under	0.5%	391	513	2	3
25-34	0.5%	3,581	4,711	17	23
35-49	0.9%	9,843	11,731	89	106
50-64	1.3%	12,171	13,689	161	181
65 and over	4.9%	12,875	19,575	626	952
All households	-	38,863	50,220	896	1,265

Source: Derived from a range of sources



- 6.35 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully ‘visitable’ – this is around 25% of wheelchair user households.
- 6.36 Applying this proportion to the current number of wheelchair user households gives a current need for 224 additional wheelchair user homes. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) then a further need for 92 homes in the 2024-41 period can be identified. Added together this leads to a need estimate of 316 wheelchair user homes – equating to 19 dwellings per annum.

<b>Figure 6.11: Estimated need for wheelchair user homes, 2024-41</b>			
	Current need	Projected need (2024-41)	Total current and future need
Uttlesford	224	92	316

Source: Derived from a range of sources

- 6.37 Furthermore, information in the EHS (for 2018/19) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair user (including 2.2% using a wheelchair indoors), compared with 3.1% of owner-occupiers (0.7% indoors). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

<b>Figure 6.12: Proportion of wheelchair user households by tenure of household reference person – England</b>					
	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	96.9%	0.5%	0.2%	2.4%	100.0%
Social sector	92.9%	1.6%	0.6%	4.8%	100.0%
Private renters	98.8%	0.1%	0.1%	0.9%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.38 To meet the identified need, the Council could seek a proportion (maybe up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (say 10%). These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.
- 6.39 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).

- 6.40 It is worth noting that the Government has now reported on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds<sup>11</sup>.
- 6.41 The key outcome is: *‘Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes’*. This change is due to shortly be implemented through a change to building regulations.
- 6.42 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating *‘M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand’*.
- 6.43 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 10-year old.

**Figure 6.13: Access Cost Summary**

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

Source: EC Harris, 2014

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

<sup>11</sup> <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

### Older and Disabled People: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows that Uttlesford has a very slightly older age structure and notably lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (74% of all older person households are outright owners).
- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2024-41 period include:
  - a 51% increase in the population aged 65+ (potentially accounting for 42% of total population growth);
  - a 71% increase in the number of people aged 65+ with dementia and a 63% increase in those aged 65+ with mobility problems;
  - a need for around 800 housing units with support (sheltered/retirement housing) – around 90% in the market sector;
  - a need for around 500 additional housing units with care (e.g. extra-care) – the majority (around 85%) in the market sector;
  - a need for additional nursing and residential care bedspaces (around 600 in the period and mainly for nursing care); and
  - a need for over 300 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around 10% in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).



## 7. Self- and Custom Build Housing

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### Introduction

- 7.1 As of 1<sup>st</sup> April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
- 7.2 According to the Right to Build Taskforce Self-build involves the occupier of a new home taking responsibility for the design, construction and funding of the home on a single building plot. Self-builders are in control of their development timeline and are not bound by any requirement to act in a given way to satisfy the needs of a developer, contractor, landowner or specialist enabler, with the exception of any statutory requirements imposed by a mortgage lender, insurer or local planning authority.
- 7.3 Custom build involves the development of a multi-plot site and involves the occupier of a new home commissioning or building their new custom home through a range of housing delivery models facilitated and/or supported by a landowner, developer, contractor, or enabler. Custom builders commit to delivering their new home as part of a pre-defined process when they agree to purchase a serviced plot of land, including taking the responsibility to construct their home themselves.

### Local Evidence

- 7.4 The Uttlesford Self-Build and Custom Housebuilding Register was introduced in April 2016 and there have now been six and a half full base periods<sup>12</sup> up to 30<sup>th</sup> October 2022.
- 7.5 The Council is required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended). Since the introduction of the Levelling Up and Regeneration Act (2023) they are also required to address any historic need which has not been met.
- 7.6 The council introduced a local connection test in December 2020, this separates the register into 2 parts with those who do not meet the local connection criteria entered into Part 2 of the register. Statutorily, the 2015 Act only requires the council to permit the number of plots indicated as needed by those on Part 1 of the register. However, any need from entrants who do not meet local connection criteria must be considered within the decision-making process.
- 7.7 The data to follow has been taken from the Council's Self-build and Custom Housebuilding: Progress Report of December 2022<sup>13</sup> - this report contains a range of statistics about the demand for and supply of self-build plots.

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<sup>12</sup> A base period is a period of typically 12 months in which demand for custom and self-build is recorded. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30<sup>th</sup> October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31<sup>st</sup> October to 30<sup>th</sup> October each year.

<sup>13</sup> <https://www.uttlesford.gov.uk/article/5314/Self-build-and-custom-housebuilding-progress-reports>

7.8 If assessed over the six and half base periods, there has been a total of 198 registered expressions of interest in a serviced plot of land in Uttlesford of which 78 are in Part 1 of the register (an average of 12 per annum). All bar one of the entries on the register are from individuals (with 1 group joining in the second base period).

<b>Figure 7.1: Serviced Plots Demand</b>			
Base Period	Part 1	Part 2	Total
Base Period 1 (1 <sup>st</sup> April 2016 to 30 <sup>th</sup> October 2016)	12	18	30
Base Period 2 (31 <sup>st</sup> October 2016 to 30 <sup>th</sup> October 2017)	26	46	72
Base Period 3 (31 <sup>st</sup> October 2017 to 30 <sup>th</sup> October 2018)	14	30	44
Base Period 4 (31 <sup>st</sup> October 2018 to 30 <sup>th</sup> October 2019)	12	10	32
Base Period 5 (31 <sup>st</sup> October 2019 to 30 <sup>th</sup> October 2020)	3	2	5
Base Period 6 (31 <sup>st</sup> October 2020 to 30 <sup>th</sup> October 2021)	8	2	10
Base Period 7 (31 <sup>st</sup> October 2021 to 30 <sup>th</sup> October 2022)	3	2	5
<b>Total</b>	<b>78</b>	<b>110</b>	<b>198</b>
<b>Average (per annum)</b>	<b>12</b>	<b>17</b>	<b>30</b>

Source: Uttlesford District Council

7.9 The table below shows the availability of suitable serviced plots – this is split between those where self- or custom build is specifically in the application description and other single dwelling plot permissions. The data points to a significant number of permissions and suggests the Council has permitted sufficient suitable plots to meet the demand identified on the register overall and in any given year, therefore there is no historic backlog.

<b>Figure 7.2: Number of Serviced Plots Permitted</b>			
Base Period	Self- or custom build in application description	Single plot dwelling permissions	Total
Base Period 1	1	57	58
Base Period 2	29	187	216
Base Period 3	5	151	156
Base Period 4	9	151	160
Base Period 5	3	51	54
Base Period 6	1	121	122
Base Period 7	1	101	102
<b>Total</b>	<b>49</b>	<b>819</b>	<b>868</b>
<b>Average (per annum)</b>	<b>8</b>	<b>126</b>	<b>134</b>

Source: Uttlesford District Council

7.10 However, the Levelling Up and Regeneration Act<sup>14</sup> also gives more specific guidance on what does and does not count towards. The amendments to the wording mean that development permissions must specifically be for ‘the carrying out of self-build and custom housebuilding’.

<sup>14</sup> <https://www.legislation.gov.uk/ukpga/2023/55/enacted>

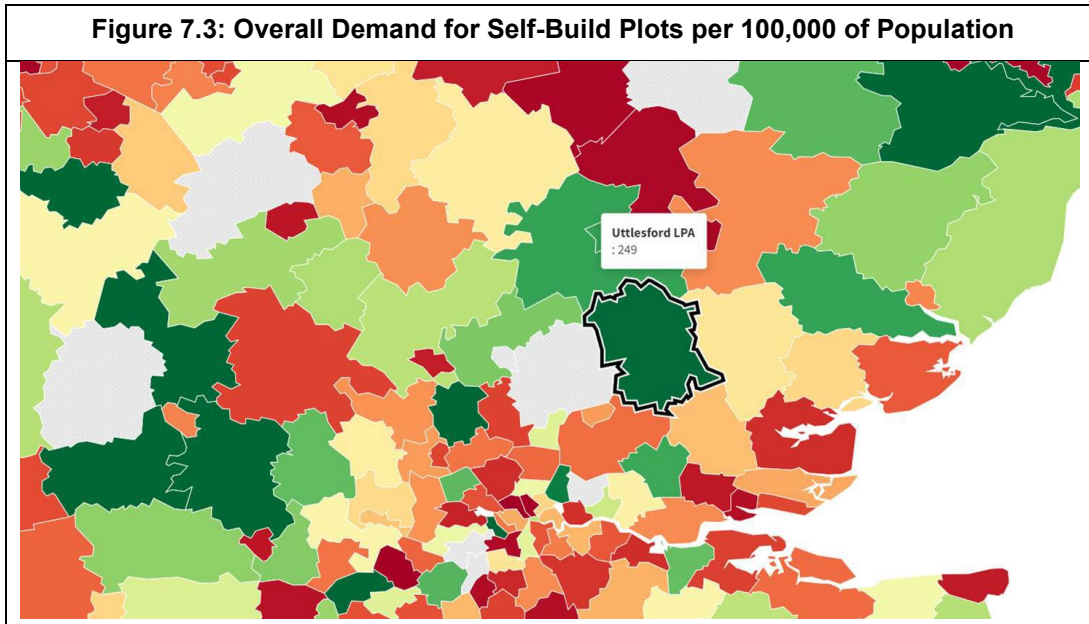
- 7.11 This means local authorities can no longer count what 'could' be self-build and custom housing (all single plots for example as is the case in Uttlesford) and only what is actually permitted as such. The Council may therefore wish to retrospectively identify whether those single unit developments which comprise the majority of their supply were actually occupied by the person who commissioned their build. Without this information the council could be required to meet the backlog need of 29 dwellings (78 total part 1 need minus 49 confirmed supply) as well as any future need.
- 7.12 The Council's evidence also provides an indication of the location and sizes of homes sought by those on the register. Generally, locational preferences are for more rural areas, although there are demands across the District (including the main settlements of Saffron Walden and Great Dunmow). In terms of the size of home, it is clear that those registered are seeking larger properties, with 57% preferring a home with at least 4-bedrooms and most of the rest for 3-bedrooms.

### Broader Demand Evidence

- 7.13 It is worth highlighting that a survey<sup>15</sup> undertaken by YouGov on behalf of the National Custom and Self-Build Association ("NaCSBA") in October 2020 found that awareness of the Right to Build legislation is low with 83% of people unaware that the local authority self-build registers exist. As a result, the number of individuals on a local authority's self-build register may underestimate demand.
- 7.14 In order to supplement the data from the Council's own register, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA – the national association for the custom and self-build housing sector.
- 7.15 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested. Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.
- 7.16 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Uttlesford in relative terms. The association has published analysis with supporting maps and commentary titled "Mapping the Right to Build" in 2020. This includes an output on the demand for serviced plots as a proportion of total population relative to all other local authorities across England.
- 7.17 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows a need for for 249 units per 100,000 head of population in Uttlesford – this is a high figure and points to relatively strong demand for self-build in the District.

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<sup>15</sup> A survey of 2,017 adults with fieldwork undertaken online between 9<sup>th</sup> – 11<sup>th</sup> October 2020. The figures are weighted and are representative of all GB adults aged 18+



Source: NaCSBA “Mapping the Right to Build,” 2020

## Policy Response

7.18 The council’s immediate priority should be to examine their historic supply of single dwelling developments to understand whether they should be counted towards the custom and self build supply.

7.19 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector. The PPG<sup>16</sup> is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are a number of measures which can be used to do this, including but not limited to:

- Supporting Neighbourhood Planning groups where they choose to include self-build and custom build housing policies in their plans;
- Working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing; and
- When engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested;
- Working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

<sup>16</sup> Paragraph: 025 Reference ID: 57-025-20210508



- 7.20 Currently the Council does not have a policy that specifically refers to self and custom build. However, though there is no reference to self and custom building within the supporting text, Policy H3 – New Homes within Development supports the principle to develop Self-Build plots as windfall sites, within the defined development boundaries and on land allocated to housing.
- 7.21 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies in respective Local Plans to encourage delivery, promote and boost housing supply. There are also a number of appeal decisions in the context of decision-taking which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application.
- 7.22 As a general principle, the Council should support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies. As such, the Council should consider the inclusion of a specific self and custom build housing policy within the Local Plan in order to satisfy the clear demand for plots within the District.
- 7.23 The Council may also wish to consider allocating sites specifically for this use and the Council should consider any sites which do arise for this purpose.
- 7.24 An appeal decision<sup>17</sup> in Windsor and Maidenhead demonstrates the importance of delivering custom and self-build homes. This appeal allowed for the delivery of four custom and self-build homes in the Green Belt on the basis that “very considerable weight” was placed on the Borough not meeting its custom and self-build need.
- 7.25 The Council may also wish to consider an application to “Brownfield Land Release Fund” which includes specific funding to release brownfield sites for self and custom build housing. Not only is this important to provide additional homes but to ensure that the SME construction industry is supported.

#### **Self- and Custom Build Housing: Key Messages**

- As of 1<sup>st</sup> April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
- The Uttlesford Local Plan (January 2005) was adopted before the Uttlesford Self and Custom Build register was set up. Therefore, there are no policies that specifically refer to self and custom build. However, though there is no reference to self and custom building within the supporting text, Policy H3 – New Homes within Development supports the principle to develop Self-Build plots as windfall sites, within the defined development boundaries and on land allocated to housing.
- Data from the Council suggests that the demand has successfully been met with enough suitable permissions before the relevant deadlines although the supply will need to be investigated further in light of the LURA. It is suggested the Council should review its supply and give consideration to including a specific policy on this topic within the next Local Plan.

<sup>17</sup> Appeal A Ref: APP/T0355/W/22/3309281