

# Topic Paper 1

## Housing



**SOUTHEND-ON-SEA**  
**NEW LOCAL PLAN**

*Planning for Growth and Change*

Topic Paper	Local Plan Issue/s covered
Topic Paper 1 Housing	Covers issue 2 of the Southend New Local Plan
Topic Paper 2 Economy	Covers issue 3 of the Southend New Local Plan
Topic Paper 3 Tourism	Covers issue 4 of the Southend New Local Plan
Topic Paper 4 Retail and Town Centres	Covers issue 5 of the Southend New Local Plan
Topic Paper 5 Providing for a Sustainable Transport System	Covers issue 6 of the Southend New Local Plan
Topic Paper 6 Design, Healthy Living & Built Heritage	Covers issue 7 of the Southend New Local Plan
Topic Paper 7 Social & Community Infrastructure Needs	Covers issue 8 of the Southend New Local Plan
Topic Paper 8 Green & Blue Infrastructure & Climate Change	Covers issues 9 & 10 of the Southend New Local Plan

# Housing Topic Paper

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## What is this topic paper about?

The Council is preparing a new Local Plan that will cover the period up to 2038. As a comprehensive and up to date evidence base is essential for plan preparation, the Council has undertaken a range of studies, both in house and with external consultants to support this process.

The Housing topic paper summarises the latest available evidence on housing issues and needs. Reflecting the wide scope of this topic there are a number of overlaps between this paper and others including the Economic and Transport topic papers.

To view all the topic papers and the latest update on the Local Plan evidence base please visit our website. Please note all internet links are up to date at the time of publication.

[localplan.southend.gov.uk](http://localplan.southend.gov.uk)

## Can I comment on this document?

The Local Plan topic papers are factual in nature and set out the national planning policy context, current situation in Southend, and some potential ways of dealing with the local issues raised, but they do not include any planning policies or site allocations. As such we are not seeking comment on these publications.

However, there will be opportunities to comment on the content of the New Southend Local Plan at various stages of its development. The Council will be undertaking public consultation on the **New Southend Local Plan Issues and Options** during early 2019. This will be followed by public consultation on **Preferred Options** and **Proposed Submission**. See our website for more details

[localplan.southend.gov.uk](http://localplan.southend.gov.uk)

If you wish to be kept informed of forthcoming consultations you can email [planningpolicy@southend.gov.uk](mailto:planningpolicy@southend.gov.uk) with your contact details.

# Housing

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## Introduction

This topic paper has been prepared to assess the national and local policy context for Housing, to consider what should be incorporated into the new Local Plan, covering the period to 2038.

It covers a broad range of housing issues and summarises the latest available evidence relating to these matters. It also suggests how the Local Plan should deal with any important issues.

## National Planning Policy

Local planning authorities are required to address the requirements set out in National planning guidance in preparing their local plans, namely the National Planning Policy Framework (NPPF, July 2018) and supporting National Planning Policy Guidance (NPPG).

At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

The National Planning Policy Framework (NPPF, July 2018) sets out a number of housing issues that Local Planning Authorities must take into account in the preparation of their Local Plans. These can be summarised as follows:

Table 1 Summary of National Planning Policy Guidance

National Planning Policy Framework (NPPF)
Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for housing, including affordable housing (paragraph 20)
To support the Government's objective of significantly boosting the supply of homes, 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 (paragraph 59)
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. Any needs that cannot be met within neighbouring areas

should also be taken into account in establishing the amount of housing to be planned for. (paragraph 60).

The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) (paragraph 61).

Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities. (paragraph 62)

Provision of affordable housing should not be sought for residential developments that are not major developments. (paragraph 63)

Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership (paragraph 64)

Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas (paragraph 65)

Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses (paragraph 117).

Promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure) (paragraph 118d)

Support opportunities to use the airspace above existing residential and commercial premises for new homes. In particular, local planning authorities should allow upward extensions where the development would be consistent with the prevailing height and form of neighbouring properties and the overall street scene, is well designed (including complying with any local design policies and standards), and can maintain safe access and egress for occupiers (paragraph 118e)

Should support proposals to use retail and employment land (which are not allocated for that purpose in the plan) for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework (paragraph 121)

Where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site (paragraph 123).

#### National Planning Policy Guidance (NPPG)

Sets out the detailed requirements for a housing needs assessment. The standard method for assessing housing need does not breakdown the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.

Sets out requirements for undertaking housing and economic land availability assessments. This requires the identification of a 5 year supply of housing land and includes provisions for a Housing Delivery Test. The Housing Delivery test is an annual measurement of housing delivery in the area.

### Existing Local Planning Policy

The existing local policy context is set out in the Southend Core Strategy (2007), Development Management Document (2015) and Southend Central Area Action Plan (2018). These adopted plans cover the period to 2021. **Appendix 1** sets out how the housing related policies relate to national planning policy guidance. These policy provisions need to be updated to cover the time frame to 2038 and to take account of changing circumstances and changes to national planning policy.

### Evidence Base

The existing and emerging housing evidence base that will support the preparation of the Southend New Local Plan, identifying which key issues need to be addressed by policy, is depicted in **Table 2**. This will be supplemented by key housing statistics including those published by the Government, the Office for National Statistics (ONS), Valuation Office Agency (VOA) and for South Essex.

A number of these studies have been commissioned by the Association of South Essex Local Authorities (ASELA<sup>1</sup>) to assist in the preparation of a South Essex Joint Strategic Plan (JSP) which will in turn inform local plan preparation.

Table 2: Evidence Base Provisions

Current Evidence	Comments	Reference
2016 South Essex Strategic Housing Market Assessment (Turley Economics)	Study commissioned by South Essex local authorities to inform preparation of the South Essex Joint Strategic Plan.	<a href="http://www.southend.gov.uk/">www.southend.gov.uk/</a>
2017 Addendum to the South Essex Strategic Housing Market Assessment (Turley Economics)	Study updated in light of revised population forecasts.	<a href="http://www.southend.gov.uk/">www.southend.gov.uk/</a>
Housing, Homelessness and Rough Sleeping Strategy 2018-2028	Borough Council's adopted housing strategy.	<a href="http://www.southend.gov.uk/">www.southend.gov.uk/</a>
Housing and Employment Land Availability Assessment (HELAA) 2018	Assessment of housing land availability produced by the Borough Council.	<a href="http://www.southend.gov.uk/">www.southend.gov.uk/</a>
Authority Monitoring Report	Close to 6,000 new homes have been built between 2001 - 2018	<a href="http://www.southend.gov.uk/">www.southend.gov.uk/</a>
Self-Build and Custom Build Register	Currently has 40 entries	
Government Standard Methodology	Results in a need of between 909-1,176 dwellings per annum in Southend	<a href="https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments">https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments</a>

<sup>1</sup> ASELA partnership comprises the local authorities of Thurrock, Brentwood, Basildon, Castle Point, Rochford, Southend and Essex.

These evidence base documents consider the housing needs of the Borough and wider sub-region. The housing links to economic, transport, and environmental considerations are also considered in separate topic papers on these issues.

The Borough Council's Housing, Homelessness and Rough Sleeping Strategy has five strategic aims to tackle local housing needs, namely:

- prioritise the supply of safe, genuinely affordable homes;
- regeneration and growth to create inclusive, healthy places to live and thrive;
- encourage good quality housing design, management and maintenance;
- support people to live independently in their own homes and avoid homelessness; and
- any instance of homelessness to be brief and non-recurrent.

The Southend New Local Plan will have a key role to play in seeking to achieve certain aspects of these aims.

## Past Delivery

As part of the Authority Monitoring Report (available online), we monitor how many new homes are built each year. Between 2001 and 2018 5,782 net new homes have been built in Southend, which is slightly ahead of the existing phased target as set out in the adopted Core Strategy.

Since the latest affordable housing policy (Core Strategy Policy CP8) was been introduced in 2007 some 600 affordable homes have been delivered, which represents about 18% of all housing completions between 2007 -2018.

Table 3 and 4, shows the number of new homes built (gross) by type and bedroom size between 2002 - 2018. The majority (around 70%) of this supply has been made up of small flats (1 or 2 bed).

Table 3 – Gross Completions by Type

2002 - 2018	Flats	Houses
Total Dwellings (total)	4,306	1,594
(%)	73.0%	27.0%



Table 4 – Gross Completions by Type and Size

2002 - 2018	1 Bed	2 Bed	3 Bed	4 Bed
Total Dwellings	1,468	3,047	909	476
(%)	24.9%	51.6%	15.4%	8.1%
Of which Flats	1,384	2,722	185	15
(%)	23.5%	46.1%	3.1%	0.3%
Of which Houses	84	325	724	461
(%)	1.4%	5.5%	12.3%	7.8%

# The Housing Market

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## Background

Since the 2008 recession the housing market has shown signs of recovery, with consumer confidence growing and improved credit conditions supporting higher levels of demand, with a return of first-time buyers. The recovery has varied locationally, however, with evidence of overheating markets in London and the wider South East in particular. The latest Thames Gateway South Essex quarterly market trends<sup>2</sup> report acknowledges that many areas within commuting distance of London are seeing strong house price growth in response to rapid increases in central London, which has led to people looking for property in more affordable areas. This growth has, however, fuelled substantial increases and disparity in house prices, stimulating issues of housing affordability.

The requirement for an initial deposit is becoming an increasingly significant problem particularly for younger households and many of these households have increasingly turned to alternative housing products with smaller immediate financial requirements, thereby delaying their buying of a home. The private rented sector has seen considerable growth as a result.

These trends have been particularly prevalent for younger households, who are more than twice as likely to privately rent in 2014 as they were in 2004. Indeed, with the English Housing Survey<sup>3</sup> showing that in 2016/17 46% of people aged 25 to 34 are privately renting, this has become the dominant tenure for this age group, with a clear declining trend in home ownership.

There is a longstanding consensus that the rate of new housing development has failed to historically keep pace with demand, with evidence showing that while there has been an average of 200,000 new homes completed annually since 1946 there has been a clear departure from this trend since the early 1980s. Part of this fall has been driven by a decline in public sector house building, with local authorities delivering around 87% of all new housing in England in 1951 but only 1% of new housing in 2014. While housing associations now play a greater role in new housing delivery, this is not to the same scale, and therefore there is a greater reliance upon the private sector to deliver new housing in England.

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<sup>2</sup> South Essex Housing Market Trends Quarterly Reports – House Prices, Affordability and Market Indicators.

<sup>3</sup> English Housing Surveys – Ministry for Housing, Communities and Local Government.

This limited supply of housing has been accentuated by increasing house prices, increasing rents and low wage levels resulting in worsening market signals on housing affordability across South Essex.

In Southend many more people who want to own homes simply cannot afford to do so whilst over a third of newly arising households are now unable to afford a lower quartile private sector rented property without spending over a third of their income on rent. These issues are examined further.

### House Prices

Long term increases in house prices can be indicative of an imbalance between supply and demand. Median house price rises across South Essex are depicted in Table 5 below.

Table 5 Median House Prices 2001-2017

	2001	2017	Change
England	£89,950	£230,000	155.7%
Southend-on-Sea	<b>£79,995</b>	<b>£260,000</b>	<b>225.0%</b>
Southend Market Area <sup>4</sup>		£293,000	200.5%
South Essex	£95,749	£286,500	199.2%

Source: ONS, 2018

The rise in median house prices in Southend is notably above the national average and the highest in South Essex. Southend has, however, previously been characterised by relatively low values, and the price growth has therefore occurred from a relatively low base and this could be viewed as a move away from this comparative underperformance. House prices in the Borough also continue to be lower than neighbouring authorities, such as Rochford and Castle Point.

It is also important to consider how house prices at the lower, more accessible end of the market, have changed over recent years. This is depicted in Table 6 below.

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<sup>4</sup> Including: Castle Point; Rochford and Southend-on-Sea

Table 6: Lower Quartile House Prices 2001 - 2017

	2001	2017	Change
England	£58,500	£150,000	156.4%
Basildon	£67,000	£225,000	235.8%
Brentwood	£108,000	£320,000	196.3%
Castle Point	£77,000	£237,500	208.4%
Rochford	£91,000	£270,000	196.7%
<b>Southend-on-Sea</b>	<b>£56,000</b>	<b>£189,950</b>	<b>239.2%</b>
Thurrock	£62,500	£224,000	258.4%

Source: ONS, 2018

In line with general house price rises, rises at the lower quartile in Southend have shown a similar pattern with price rises well above the national average and, with the exception of Thurrock, the highest rises in South Essex. This has had significant implications for first time buyers in Southend.

## Rents

Longer term changes in rental levels are also indicative of a potential imbalance between the demand for and supply of housing.

There has been a sizable growth in the private rental sector in the national housing market, such that it has become the dominant tenure for younger people. The Census shows that there has also been a similar shift in tenure trends in South Essex, with the number of households renting from a landlord or letting agency in the area increasing by 95% between 2001 and 2011.

Table 7: Monthly Private Rental Cost

	Mean Rent 2014/2015	Change in Mean Rents (2 beds) 2010/11- 2014/2015	Lower Quartile Rent 2014/2015	Change in Lower Quartile Rents (2 beds) 2010/11- 2014/2015
England	£768	8.3%	£475	4.2%
Castle Point	£803	4.0%	£650	3.8%
Basildon	£833	7.4%	£650	3.7%
Rochford	£840	7.6%	£675	8.1%
<b>Southend-on- Sea</b>	<b>£706</b>	<b>6.9%</b>	<b>£550</b>	<b>9.2%</b>
Thurrock	£800	10.2%	£650	11.5%

Source: VOA, 2015

Rental values in Southend are below the national average and lowest in South-East Essex, however rents in the lower quartile have witnessed significant rises compared to the national average.

Lower average values in Southend could reflect the availability of smaller stock in the town, with the market slightly skewed towards smaller properties in response to the areas demographic.

### Affordability

The above data illustrates that there has been considerable price growth in South Essex over recent years, and the impact of these increases on the affordability of homes in the area can be estimated by taking account of local earnings.

The National Planning Policy Framework (NPPF) requires local authorities to assess the number of affordable homes that are evidenced as being required. Affordable housing is defined as:

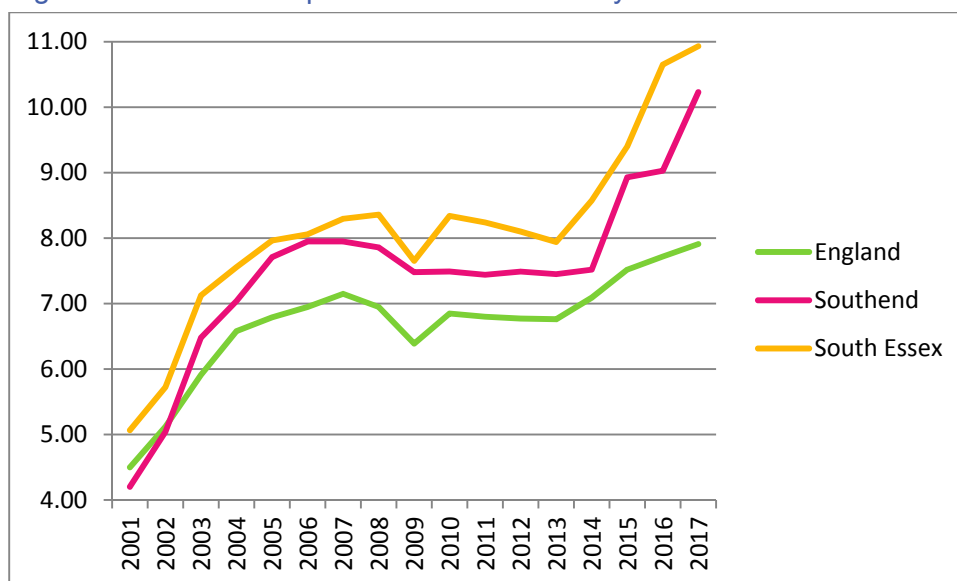
*“housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and*

*which complies with one or more of the following affordable housing for rent, starter homes, discounted market sales housing, other affordable routes to home ownership<sup>5</sup>*

See appendix 2 for definitions

The Office of National Statistics (ONS) publishes data showing the ratio between workplace house prices and earnings. Figure 1 below illustrates the median workplace base affordability ratios.

Figure 1: Median Workplace-based Affordability Ratios



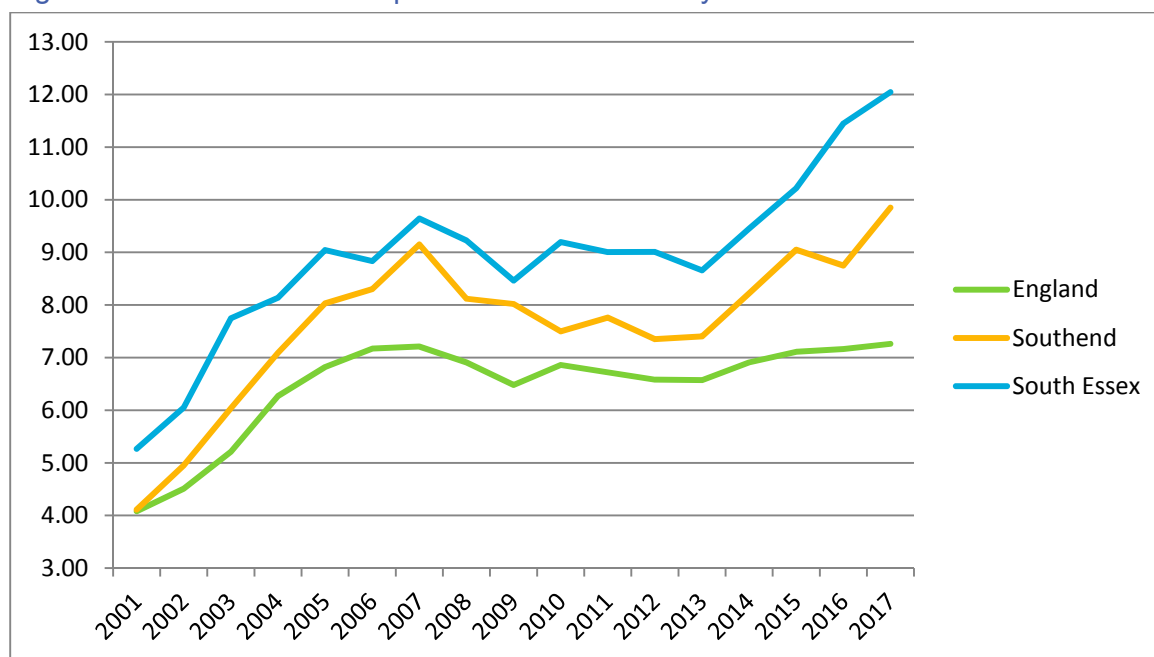
Source: ONS

South Essex has seen a long-term worsening in affordability above the national trend. In 2001 the affordability ratio in Southend was below that of the national average. However since 2014 affordability has worsened considerably more in Southend and South Essex when compared to the national average. This suggests that people working in South Essex are required to spend a greater number of year's income on the cost of purchasing a home in the area where they work.

This situation is accentuated when affordability of housing at the lower, more accessible end of the market is considered. This is illustrated in Figure 2 below.

<sup>5</sup> NPPF 2018

Figure 2 Lower Quartile Workplace-based Affordability Ratios



Source: ONS

The worsening of housing affordability in South Essex in recent years is reflected in the ratio of lower quartile earnings to lower quartile house prices which for Southend is above the national average but lower than neighbouring authority areas as depicted in Table 8.

Table 8: Relationship Between Resident Earnings and House Prices 2017

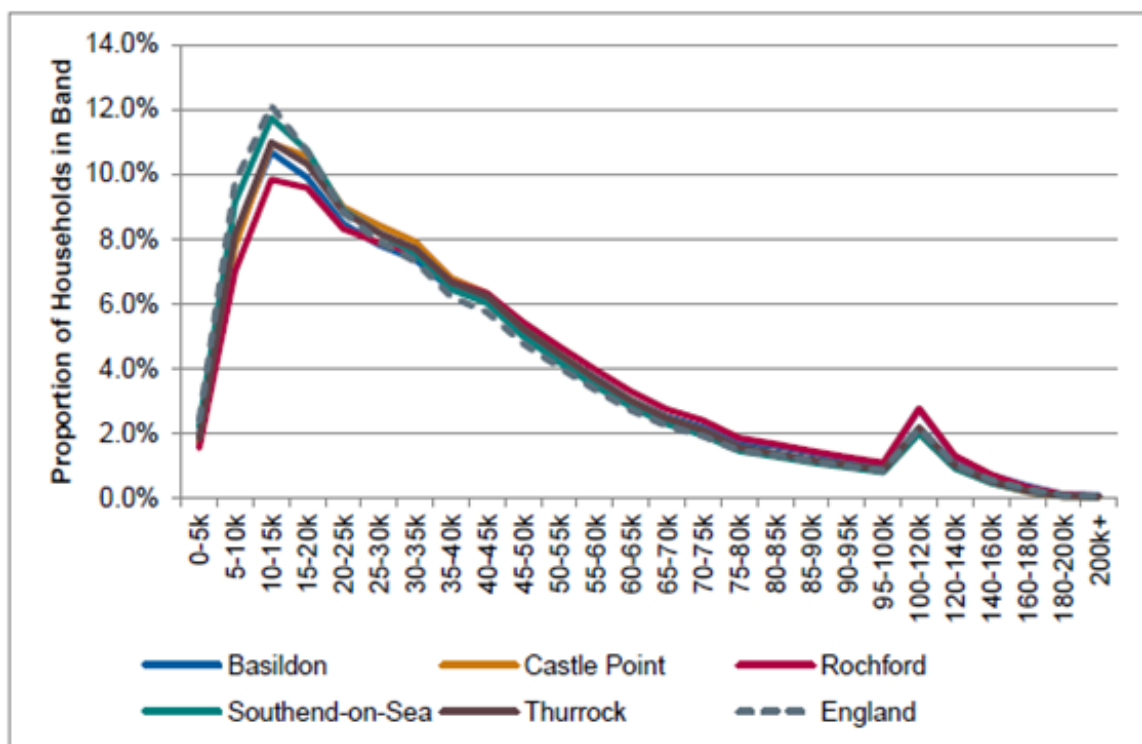
	Lower Quartile house price 2017	Lower Quartile Earnings 2017	Ratio
England	£150,000	£20,649	7.3
Basildon	£225,000	£19,550	11.5
Castle Point	£237,500	£16,240	14.6
Rochford	£270,000	£20,226	13.4
<b>Southend-on-Sea</b>	<b>£189,950</b>	<b>£19,286</b>	<b>9.9</b>
Thurrock	£224,000	£20,781	10.8

Source: ONS 2018

	Median house price 2017	Median Earnings 2017	Ratio
England	£230,000	£29,079	7.9
Basildon	£280,000	£26,728	10.5
Castle Point	£293,000	£25,269	11.6
Rochford	£320,000	£26,670	12.0
<b>Southend-on-Sea</b>	<b>£260,000</b>	<b>£25,424</b>	10.2
Thurrock	£275,000	£27,512	10.0

Source: ONS 2018

Figure 3: Income Profile



Source: SHMA 2016 (CACI 2014)



Table 9: Comparison between private purchase and private rent

		Basildon	Castle Point	Rochford	Southend-on-Sea	Thurrock
Purchase	LQ house price 2014	£158,000	£178,000	£202,625	£153,000	£151,000
	Annual cost	£12,205	£13,750	£15,652	£11,819	£11,664
	Income required	£36,615	£41,249	£46,956	£35,456	£34,993
	% unable to afford	54%	63%	65%	58%	56%
Private rent	Cost of LQ annual rent	£7,800	£7,800	£8,100	£6,600	£7,800
	Income required	£23,400	£23,400	£24,300	£19,800	£23,400
	% unable to afford	39%	40%	36%	34%	40%

Source: SHMA 2016

Table 9 shows that private rent is more affordable than private purchase on the open market. However, there remains a proportion of households who are unable to afford private rent (34% in Southend)

## Land Prices

It is challenging to understand how land values have changed in South Essex, with a lack of a nationally available dataset of changes to benchmark land values on a comparable basis over time although evidence suggests that parts of the area have higher land values which may be driven by high demand due to the proximity to London, with strong transport links and supply constraints, such as the Green Belt. There may, therefore, be a price premium for residential land in higher value areas of South Essex, where there is high demand for housing.

## Assessing Future Housing Needs

### Objectively Assessed Needs

The above analysis indicates that for Southend and the wider sub-region, there are significant housing affordability issues reflecting the national imbalance between supply and demand.

To address these issues and achieve a step change in housing delivery, the Government through the revised National Planning Policy Framework (2018) has introduced a new approach to determining local housing need. This introduces a standard methodology which calculates future housing needs having regard to demographic data published by the Office

for National Statistics and incorporates adjustments to take account of market signals, including the affordability of housing, having regard to house prices and earnings of those working in the local area.

This approach identifies the ‘objectively’ assessed housing needs in an area. In other words, the assessment does not take into account any constraints to development in the area such as Green Belt designation. The National planning guidance provides that planning policy should, as a minimum, seek to provide for the objectively assessed needs for housing and other uses, as well as any need that cannot be met within neighbouring areas as far as is consistent to do so when considering any legitimate and evidenced constraints to housing development in the area, such as environmental considerations and infrastructure capacity, which cannot be mitigated

National planning guidance also introduces a new ‘Housing Delivery Test’. Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority’s housing requirement over the previous three years, the authority will be required to prepare an action plan to assess the causes of under delivery and identify actions to increase delivery in future years. In such circumstances it will be difficult for the local planning authority to reject planning applications for housing development on matters such as poor design and loss of other land uses.

There is therefore a pressing need to identify how objectively assessed housing needs can be met. To facilitate this South Essex local authorities (as part of the Association of South Essex Local Authorities – ASELA) have agreed to prepare a Joint Strategic Plan (JSP) to identify potential growth locations where housing and other development needs can be met. The JSP will inform the preparation of South Essex local plans including the Southend New Local Plan.

Table 10 below sets out the objectively assessed housing need as identified by the new Government standard methodology for the South Essex sub-region.

Table 10: South Essex Future Annual Housing Need – Government Standard Methodology (Annual Provision)

Housing Area	NPPF Standardised Methodology
Basildon	995- 1,091
Brentwood	335-471
Castle Point	337-360
Rochford	389-402
<b>Southend</b>	<b>909-1,176</b>
Thurrock	1,021-1,173
Total: South Essex	4,019-4,660

Source: NPPF (2018)

The identified objectively assessed housing need for Southend correlates to the findings of the South Essex Housing Needs Assessment (SHMA) commissioned by the South Essex local planning authorities in 2016, which identifies an annual objectively assessed need of 1,072 dwellings, which is within the standard methodology range. The SHMA takes into account the findings of the South Essex Economic Development Needs Assessment (EDNA) in terms of likely job creation in the sub-region.

With Southend's historic rate of development since 2001 being 340 dwellings per annum the standardised methodology represents a significant uplift in annual housing completion rates requiring over three times past historic rates of development to achieve the objectively assessed higher range need.

Meeting objectively assessed housing needs represents a significant challenge to the South Essex local planning authorities in preparing their local plans in determining how best this need can be met.

### Meeting Objectively Assessed Needs (Land Availability for all Housing)

Land resources in Southend are already at a premium with the existing urban area having one of the highest urban densities in the UK outside of London<sup>6</sup> and the majority of surrounding open land being designated as Metropolitan Green Belt, extending from East London across the South Essex sub-region.

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<sup>6</sup> The 2011 Census shows that Southend has the sixth highest density of all UK regions outside London.

Early surveys as part of the preparation of the Southend Housing and Economic Land Availability Assessment (HELAA) indicate that it will not be possible to meet the objectively assessed local housing need within the existing urban area or on land at the edge of the existing built up area. It will therefore be essential that the Borough Council works closely with its South Essex local authority partners to identify potential strategic scale development sites as part of the Joint Strategic Plan.

The HELAA suggests that there is land available for around 5,200 available new homes within the existing built up area of Southend. This rises to around 10,000 new homes when also considering land at the edge of the built up area, although as these additional sites are on open space, green belt or agricultural land they would be subject to review. An analysis of past windfall (sites that have unexpectedly become available) suggest that around 3,800 new homes may also become available over the next 20 years.

With Southend having a tightly drawn administrative boundary any strategic scale development will have cross border implications with neighbouring authorities. A South East Essex Strategic Growth Locations Assessment has been prepared, jointly prepared with Castle Point and Rochford Councils, to understand whether there are areas that could accommodate development of a strategic scale around the urban area of Southend. Strategic scale has been broadly defined as being large enough to sustain supporting infrastructure such as local schools, shops and other services, as well as employment generating development and would comprise a minimum of 6,000 to 8,000 dwellings.

It has identified one area around Southend (north of Fossetts Farm, Garon Park and Bournes Green Chase, incorporating land within both Southend Borough and Rochford District) that has the potential to accommodate strategic scale development and therefore warrants further investigation. This work will include an assessment of infrastructure and transport impacts and an assessment of Green Belt.

The Issues and Options Report, as part of a potential Spatial Strategy, identifies three possible options for seeking to meet objectively assessed housing needs, namely:

#### [Option 1 – All development within existing built up areas of Southend.](#)

This would protect the Green Belt but would result in a very high risk of overdevelopment within the existing urban area affecting the amenities and character of established residential areas. Deliverability of full housing needs not achieved.

**Option 2 – Most development within existing built up area with some development on the edge.**

This has the potential to protect residential amenities but would result in some higher density development in specific locations and the loss of some Green Belt land. Deliverability of full housing needs not achieved.

**Option 3 – Option 2 + working with neighbouring authorities to develop a comprehensive new settlement.**

Only option 3 provides the opportunity to meet objectively assessed housing needs in full. It would enable residential amenities to be protected with some higher density development in specific locations but would result in the extensive loss of Green Belt land. Potential to deliver all housing needs.

Further details of the advantages and disadvantages of the three options are set out in the Issues and Options Report in Figure 9.

An important aspect of delivering new homes is the provision of supporting infrastructure – see Transport and Infrastructure Topic papers. A potential advantage of looking to accommodate large scale development in a comprehensively planned way, such as by a new Garden Settlement as advocated in option 3, is that there is a better chance of securing the necessary transport and associated infrastructure as well as ensuring the critical mass of employment and community services needed to ensure the provision of sustainable and thriving communities.

### **Building at Higher Densities**

All three possible development options advocate building at higher densities within the existing urban area to some degree. This is encouraged by recent National planning policy which promotes the effective use of land in meeting the need for homes and supports the development of under-utilised land and buildings where this could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure).

For the first time National guidance also supports opportunities to use the airspace above existing residential and commercial premises for new homes where this would be consistent with the prevailing height and form of neighbouring properties and the overall street scene, is

well designed (including complying with any local design policies and standards), and can maintain safe access and egress for occupiers.

Building at higher densities will require the development of sensitive policies to ensure that residential amenities and the character of established areas is not adversely affected. Depending on the possible development options adopted, it would be possible to direct higher density housing development to more sustainable locations, such as the town centre, near train stations and prime bus routes (e.g. London Road, Southchurch Road, Victoria Avenue, Sutton Road).

The Housing and Employment Land Availability Assessment (HELAA) also looks at potential undeveloped sites for housing. This includes some of the poorer quality industrial areas and employment sites, such as near Prittlewell and Southend Victoria Stations, agricultural land and other underutilised sites. These sites offer potential for housing development and would need to be investigated further as part of the plan preparation process. These potential sites, as contained in the HELAA, can be viewed on [www.southend.gov.uk](http://www.southend.gov.uk)

These considerations of how higher density housing development can effectively and sensitively be embraced will form an important component of the Southend New Local Plan.

### **Different Types of Housing Need**

The Government's standard method for assessing housing need does not breakdown the overall figure into different types of housing. National planning policy guidance requires local planning authorities to have regard to the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups in preparing their local plans.

### **Housing for Older People**

The South Essex SHMA estimates an increase of 47,188 people over the age of 75 to 2037. In Southend this equates to an additional 12,425 people over 75 years of age.

This projected change suggests that the growth in the older population could generate an annual need for nearly 100 specialist self-contained older person accommodation units annually over the plan period. This is illustrated in Table 11.

Table 11: South Essex Need for Self Contained Elderly Person Housing 2017-2037

	Sheltered Housing	Enhanced Sheltered Housing	Extra Care Units	Annual Need	Total need 2017-2037
Castle Point	886	142	177	60	1,205
Rochford	850	136	170	58	1,156
<b>Southend-on-Sea</b>	<b>1,424</b>	<b>228</b>	<b>285</b>	<b>97</b>	<b>1,937</b>
Southend Housing Market Area (including Rochford & Castle Point)	3,160	506	632	215	4,298
<b>Total South Essex</b>	<b>6,178</b>	<b>986</b>	<b>1,236</b>	<b>427</b>	<b>8,535</b>

Source: South Essex Strategic Housing Market Assessment 2017

The older private household population is included in the objectively assessed need. However, where a Council sought to provide for the need for extra care housing being met through residential institutions (C2) this would only provide a proportion towards identified Objectively Assessed Need.

The SHMA modelling produced assumes a growth in the number of people living in communal establishments, which is entirely attributable to growth in the number of older people aged 75 and over. This is estimated to be some 900 persons in Southend over a 20 year period as indicated in Table 12.

Table 12: South Essex Need for Communal Elderly Persons Accommodation 2017-2037

	Total Change in Communal Population 2017-2037	Annual Requirement for bed spaces
Castle Point	500	25
Rochford	220	11
<b>Southend-on-Sea</b>	<b>900</b>	<b>45</b>
<b>Total South Essex</b>	<b>2,974</b>	<b>149</b>

Source: South Essex Strategic Housing Market Assessment 2017

It will be important that the Southend New Local Plan makes adequate provision to meet the needs of a growing elderly population to help older people live independently for longer and provide attractive alternatives for people to downsize if they so wish.

### Housing for People with Disabilities

The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives.

The South Essex SHMA estimates needs and uses the Census data as a baseline, however it is noted within the planning guidance that not all people counted under this dataset will require adaptations to their home. Those residents aged 75 and over have been excluded from this analysis given that their needs have been identified in the earlier analysis for elderly persons (see tables 11 and 12 above). The analysis indicates that over 4,000 residents in Southend could require support needs over the plan period.

Table 13: Modelled Growth in Private Household Residents with Support Needs 2014 – 2037

	Change in Residents with Support Needs			Total Change 2014-2037
	15 and under	16 to 59/64	60/65-74	
Castle Point	72	154	853	1,078
Rochford	86	249	1,086	1,421
<b>Southend</b>	<b>215</b>	<b>1,062</b>	<b>3,098</b>	<b>4,375</b>
Southend Housing Market Area (including Rochford & Castle Point)	373	1465	5037	0
Total South Essex*	806	4,043	10,905	15,754

Source: South Essex Housing Market Assessment 2017

\* The SHMA modelling did not include Brentwood

### Privately Rented

Southend has the highest proportion of private renting in South Essex (23% of Households - 2011 census). Due to affordability issues many younger households have increasingly turned to the private rented sector and as a consequence this sector has witnessed considerable



growth, however the ending of a private rented tenancy is also a significant cause of homelessness.

In planning for future housing needs it will be important to ensure that the privately rented sector is well represented.

### Self Build and Custom Housebuilding

Self-build involves a person directly organising the design and construction of their home, while custom build is where a person works with a specialist developer to deliver their own home. 'Laying the Foundations: a Housing Strategy for England'<sup>7</sup> provides useful national context in relation to both self-build and custom build. The strategy states that, in 2011, over 100,000 UK residents were looking for building plots across the country, with around one in ten new homes custom built. This is considerably lower than in many other European countries, and recent figures suggest that – while there is demand – there are relatively few self-build homes in the UK, with just 8,235 delivered in 2013 – a fall of 22% since 2010.

As part of the Self-Build and Custom Housebuilding Act from 1 April 2016 local authorities have been required to establish local registers of custom builders wishing to acquire suitable land to build their own home. National planning policy guidance provides that local authorities should have regard to this local register when considering future needs. Currently the Southend Custom and Self build register has relatively few entries (40).

### Student Housing

The Southend Central Area Action Plan contains policy provisions to expand the university and college complex within Southend town centre. As part of these provisions it will be important to ensure that adequate quality student accommodation is provided to facilitate the growth of the education establishments.

As part of the preparation of the Southend New Local Plan it will be important to engage with Essex University and the South Essex College to ensure that the plan makes appropriate provision for student accommodation to meet future needs and education growth targets.

### Affordable Housing

The South Essex Strategic Housing Market Assessment (SHMA) finds that whilst in absolute terms South Essex is an area of comparatively low house prices when compared with many

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<sup>7</sup> Laying the Foundations: a Housing Strategy for England 2011

neighbouring areas it is apparent that it demonstrates symptoms of worsening market signals and worsening affordability as indicated in the data above (see Figures 1 and 2).

The SHMA assessment for affordable housing follows National planning policy guidance based on current and projected future needs and taking account of supply. This looks at existing need for affordable housing, adds newly arising need, subtracts new affordable housing becoming available through relets and committed supply to produce an annual affordable housing requirement.

This indicates that there is a significant level of unmet and likely future need for affordable housing across South Essex and suggests a short-term need for 2,239 affordable homes annually to clear the backlog over five years reducing to 2,128 affordable homes per annum thereafter. For Southend this equates to 726 units<sup>8</sup> per year to clear the backlog over five years then a requirement of 649 units per annum, some 40% of the median total range for objectively assessed housing needs (see Table 10 above).

The lack of affordable housing is a major issue in Southend and has significant implications for achieving economic growth and a prosperous town. It also has potential detrimental consequences in terms of leading to increased multi-occupation, overcrowding and homelessness.

Whilst this need is significant National planning policy guidance makes clear that this need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. This can be established through local plan policies setting out a requirement for affordable housing as a part of development schemes. Due to viability issues, the National Planning Policy Framework (paragraph 63) does not permit local planning authorities to seek affordable housing as part of small development schemes.

Current planning policy for affordable housing provision is contained in the Southend Core Strategy (Policy CP8 Dwelling provision, 2007) which seeks to achieve a proportion of affordable housing on new development sites. On large schemes (50+ dwellings) 30% of the housing proposed is required to be affordable, whilst for smaller sites of between 10 and 49

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<sup>8</sup> Note – this figure is based on newly arising households unable to afford Lower Quartile market rent. A calculation to afford home ownership would result in a higher affordable housing need. The SHMA indicates that for these people who are unable to access the lower quartile private rented sector, social/affordable rent is the most accessible product, followed by lower quartile private rented accommodation, but that beyond this, other types of affordable housing were more likely to represent alternative options for those who can already access the private rental market.

dwellings the requirement is 20%. This policy approach has delivered around 600 affordable homes between its adoption in 2007 and 2018, which equates to some 18% of the total net dwellings completed in the Borough over the same period, significantly below the projected requirement.

Given the sizeable need for affordable housing identified through the SHMA assessment, it will be important to review current affordable housing policy as part of the preparation of the Southend New Local Plan to seek to achieve a greater delivery of affordable housing. However, in doing this any potential increase in the percentage requirement for affordable housing on large development sites will need to be balanced against ensuring that the site remains financially viable as a development scheme.

There are currently disparities across South Essex in the way each local planning authority applies its affordable housing policy to large development schemes. In Thurrock and Rochford a 35% requirement is applied whilst in other authorities there is a requirement for 25% of development schemes to comprise affordable housing, with the exception of Canvey Island where a 15% requirement is applied.

Whilst the SHMA highlights the significant need for affordable housing it recommends that the outputs of this calculation are used only for guidance, particularly given the assumptions made when estimating the size of affordable housing needed in future. In order to maintain an up-to-date understanding of current needs in particular, the SHMA recommends that the South Essex Councils continue to monitor the number of bedrooms required by households in priority need on respective Housing Registers and identify trends relating to affordable housing need and supply, resulting from welfare reforms, for example. These factors should be taken into account on an ongoing basis. This highlights the need for effective monitoring procedures as part of the preparation of the Southend New Local Plan.

### **Housing Size, Tenure and Mix**

Although not forming part of National planning policy guidance, in planning for future housing needs it is also important to understand the demand for certain sizes, tenure and mix of housing.

The 2017 SHMA shows the likely continued demand for housing of all sizes, with the greatest demand for housing generated by households who would typically require three bedrooms. Some 60% of households in South Essex are expected to require housing with at least three

bedrooms, although local variation is evident and a demand for additional smaller housing is also expected to be generated over the period, particularly in the case of affordable housing.

Table 14 Proportion of Housing Requiring Different House Sizes 2017-2037 – All Housing

Local Planning Authority	Proportion of households forming requiring			
	1 bed	2 beds	3+ beds	4+ beds
Basildon	14%	26%	40%	20%
Castle Point	7%	25%	42%	27%
Rochford	7%	24%	42%	27%
<b>Southend-on-Sea</b>	<b>18%</b>	<b>30%</b>	<b>35%</b>	<b>17%</b>
Thurrock	13%	26%	48%	13%
South Essex*	14%	27%	42%	18%

Source: Source: South Essex Strategic Housing Market Assessment 2017

\*Excludes Brentwood

Table 15: Proportion of Housing Requiring Different House Sizes 2017-2037 – Affordable Housing

Local Planning Authority	Proportion of households forming requiring			
	1 bed	2 beds	3+ beds	4+beds
Basildon	8%	39%	47%	6%
Castle Point	46%	24%	28%	3%
Rochford	52%	27%	19%	21%
<b>Southend-on-Sea</b>	<b>45%</b>	<b>26%</b>	<b>25%</b>	<b>4%</b>
Thurrock	44%	22%	36%	-1%
South Essex*	39%	27%	31%	3%

Source: South Essex Strategic Housing Market Assessment 2017

\*Excludes Brentwood

It is important to recognise that the greatest need for affordable housing rests with those that require assistance under homeless duties and those on the housing register in statutory reasonable preference categories. The bedroom needs of these groups should also be considered as policy is developed.

### Overcrowded, Concealed and Homeless Households

National planning guidance suggests that indicators on overcrowding, concealed and shared households, homelessness and the numbers in temporary accommodation should be analysed, given that they can be indicative of an unmet need for housing. The longer term increase in the number of such households could signal a need to consider increasing planned housing numbers.

The 2011 Census shows the number of occupants and the number of bedrooms in dwellings, allowing an understanding of overcrowding. The following table summarises the proportion of households who are overcrowded with at least one fewer bedroom than required based on the bedroom standard, as a proportion of all households.

Table 16: Proportion of Households Overcrowded (bedrooms) 2011

	Total overcrowded households (bedrooms)	Proportion of households overcrowded
England	1,024,473	4.6%
Castle Point	1,005	2.8%
Basildon	2,719	3.7
Rochford	863	2.6%
<b>Southend-on-Sea</b>	<b>3,545</b>	<b>4.7%</b>
Thurrock	3,378	5.4%

Source: Census 2011

A further indicator is the proportion of families who are concealed. 1,475 additional concealed families were recorded in South Essex at the 2011 Census relative to 2001, with Rochford, Southend-on-Sea and Basildon seeing the greatest increases compared to neighbouring authorities and England.

National planning policy guidance suggests that the number of homeless households and those in temporary accommodation should be established, given that this demonstrates unmet need for housing in an area. Data published by the Government also shows the number of households who have been accepted as homeless and classified in priority need on an annual basis, and this shows that an average of around 650 households have been classified as homeless in this way across South Essex annually since 2004. Basildon has seen an increase

in the number of priority homeless households with both Southend-on-Sea and Thurrock experiencing an overall fall since 2004.

Southend has seen a continued upwards growth in the number of households placed in temporary accommodation under our homelessness duties. The shortage of affordable accommodation in the private or social sector, and many landlords being unwilling to let housing to those whose income is wholly or partially dependent upon benefits has meant that the council have experienced great difficulty moving households on from temporary accommodation. This prevents temporary accommodation supply from being freed up for newly arising homeless households and leads to increased temporary accommodation usage and use of public funds to spend on bed and breakfast accommodation.

As of 2017 the rate of rough sleeping per 1,000 households in Southend (0.91) was significantly higher than London (0.31) and the England average (0.20). The number of rough sleepers in Southend as 2017 (72) also places Southend within the top ten highest authorities in the country, this represents an increase on previous years.

### **Issues the Southend New Local Plan Needs to Address**

The Southend New Local Plan faces a significant challenge in seeking to meet objectively assessed housing needs as identified in the Government standard methodology given the limited land resources in the Borough. These challenges extend to meeting the specific needs of different groups of people as indicated above, particularly the provision of affordable housing and meeting the needs of a growing elderly population.

The issues raised in the recent housing studies and data analysis, the requirements of national planning policy and the need to update current planning policy are set out in Table 18 below. Potential solutions to these issues are also highlighted. However, these are not considered to be mutually exclusive and other issues and solutions may be identified in due course as a result of public consultation on the Southend New Local Plan.

Table 18: Southend New Local Plan – Housing Issues and Potential Solutions

Policy Issues Identified	Potential Solutions
Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for housing, including affordable housing	The South Essex Joint Strategic Plan will set out a strategy for the pattern, scale and quality of development.
	Incorporate specific Strategic Objectives into the new local plan
	Provide for new planning policies to meet local housing needs, including affordable housing needs. Review current affordable housing policy in Core Strategy to seek a greater proportion of affordable housing on large development sites.
To support the Government's objective of significantly boosting the supply of homes, 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	Allocate new sites for housing provision in liaison with adjoining local authorities.
	Provide for new planning policies to meet the needs of groups with specific housing requirements.
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. Any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.	Continue to work with South Essex local authority partners to deliver the Joint Strategic Plan to address identified objectively assessed housing needs in accordance with the standardised approach.
The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes	Provide for new planning policies to provide for a mix of housing to meet the needs of groups with specific housing requirements having regard to the South Essex Housing Market Assessment (SHMA) and any further evidence updates.

and people wishing to commission or build their own homes)	
Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities.	Provide for new planning policies to provide for affordable housing having regard to the South Essex Housing Market Assessment (SHMA) and any further evidence updates.
Provision of affordable housing should not be sought for residential developments that are not major developments. (paragraph 63)	Criteria to be incorporated in new planning policies.
Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership	Criteria to be incorporated in new planning policies.
Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas	The South Essex Joint Strategic Plan will set out a strategy for the pattern, scale and quality of development.
	Incorporate specific Strategic Objectives into the new local plan
	Provide for new planning policies to meet local housing needs, including affordable housing needs.
Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses	Criteria to be incorporated in new planning policies.
Promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or	Criteria to be incorporated in new planning policies having regard to the Housing and Economic Land Availability Assessment.



above service yards, car parks, lock-ups and railway infrastructure)	
Support opportunities to use the airspace above existing residential and commercial premises for new homes. In particular, local planning authorities should allow upward extensions where the development would be consistent with the prevailing height and form of neighbouring properties and the overall street scene, is well designed (including complying with any local design policies and standards), and can maintain safe access and egress for occupiers	Criteria to be incorporated in new planning policies.
Should support proposals to use retail and employment land (which are not allocated) for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework	Build on current Development Management Document and Southend Central Area Action Plan policies in developing new local plan policies.
Where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site	Build on current Development Management Document and Southend Central Area Action Plan policies in developing new local plan policies.
Sets out the detailed requirements for a housing needs assessment The standard method for assessing housing need does not breakdown the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.	Joint Strategic Plan and new local plan to address objectively assessed housing needs having regard to the standard assessment. Provide for new planning policies to meet different sizes, types and tenures of housing needed.
Sets out requirements for undertaking housing and economic land availability assessments. This requires the identification of a 5 year supply of	Continue to undertake land availability assessments to ensure a 5 year supply of housing land and assess housing delivery.

housing land and includes provisions for a Housing Delivery Test. The Housing Delivery test is an annual measurement of housing delivery in the area.	Develop appropriate monitoring policies and targets for the new local plan to gauge progress in meeting local housing needs.
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## Appendix 1 Existing Adopted Local Planning Policies

Policy Issues Identified	Existing Adopted Local Planning Policy		
	Core Strategy	Development Management Document	Southend Central Area Action Plan
Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for housing, including affordable housing	Policy KP1		
To support the Government's objective of significantly boosting the supply of homes, 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	Policy KP1		
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. Any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.	Policies KP1 and CP8		
The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies	Policy CP8	Policies DM7, DM8 and DM9	

(including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes)			
Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities.	Policy CP8	Policy DM7	
Provision of affordable housing should not be sought for residential developments that are not major developments.	Policy CP8	Policy DM7	
Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership	Policy CP8		
Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. Within this	Policy KP1		

overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas			
Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses	Policy KP2	Policies DM7, DM8 and DM9	Policies DS1, CS1 and PA1 to PA9
Promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure)	Policy KP2	Policies DM7, DM8 and DM9	Policies DS1, CS1 and PA1 to PA9
Support opportunities to use the airspace above existing residential and commercial premises for new homes. In particular, local planning authorities should allow upward extensions where the development would be consistent with the prevailing height and form of neighbouring properties and the overall street scene, is well designed (including complying with any local design policies and standards), and can maintain safe access and egress for occupiers	New provisions introduced by National Planning Policy Framework (2018)		
Should support proposals to: a) use retail and employment land for homes in areas of high housing	Policy KP2		Policies DS1, CS1 and PA1 to PA9

demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework			
Where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site	Policy KP2		Policies DS1, CS1 and PA1 to PA9
Sets out the detailed requirements for a housing needs assessment The standard method for assessing housing need does not breakdown the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.	<p>Overall housing needs Assessment Undertaken as part of East of England Regional Plan (Regional Plan revoked by Government)</p> <p>Southend New Local Plan will need to address the Governments newly introduced standard method for assessing housing need.</p>		
Sets out requirements for undertaking housing and economic land availability assessments. This requires the identification of a 5 year supply of housing land and includes provisions for a Housing Delivery Test. The Housing Delivery test is an annual measurement of housing delivery in the area.	Policy CP8: Dwelling Provision - Monitoring and Implementation Framework		Policies DS1, CS1 and PA1 to PA9 – Monitoring Indicators and Targets

## Appendix 2 National Planning Policy Framework Definitions for Affordable Housing

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

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing

provision, or refunded to Government or the relevant authority specified in the funding agreement.



