



Farringdon Housing Needs Assessment (HNA)

January 2020

Quality information

Prepared by

Karlene Stubbs- Graduate
Planner

Checked by

Paul Avery- Housing Research
Consultant

Approved by

Paul Avery- Housing Research
Consultant

Revision History

Revision	Revision date	Details	Authorized	Name	Position
V1	August 2019	Draft	KS	Karlene Stubbs	Graduate Planner
V2	August 2019	Technical Review	PA	Paul Avery	Housing Research Consultant
V3	September 2019	Draft for Group Review	KS	Karlene Stubbs	Graduate Planner
V4	October 2019	Group Reviewed, Draft for Locality Review	KS	Karlene Stubbs	Graduate Planner
V5	October 2019	Final Draft	KS	Karlene Stubbs	Graduate Planner
V6	January 2020	Selected Update	KP	Kerry Parr	Associate Director

Prepared for:

Farringdon Parish Council

Prepared by:

AECOM

Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

© 2019 AECOM. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Locality (the "Client") and in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Disclaimer

This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (i.e. the neighbourhood planning group) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Qualifying Body is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage. Where evidence from elsewhere conflicts with this report, the Qualifying Body should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

Table of Contents

1.	Executive Summary	6
1.1	Introduction.....	6
1.2	Research Questions	6
1.3	Findings of RQ 1: Quantity.....	6
1.4	Findings of RQ 2: Type, Size and Tenure	6
2.	Context	8
2.1	Local context	8
2.2	Planning policy context	10
2.2.1	Policies in the adopted local plan	10
3.	Approach.....	12
3.1	Research Questions	12
3.1.1	Quantity	12
3.1.2	Type, Size and Tenure.....	12
3.2	Relevant Data.....	13
3.2.1	Local authority evidence base.....	13
3.2.2	Other relevant data	13
3.3	Farringdon Neighbourhood Plan Housing Need and Facilities Survey 2019	13
3.3.1	Summary	13
4.	RQ 1: Quantity	14
4.1	Introduction.....	14
4.2	Standard method (Step 1).....	16
4.3	Latest available LPA planning strategy (Step 2)	17
4.4	Past dwelling completions (Step 3)	17
4.5	Final Housing Need Figure	17
5.	RQ 2: Type, Size and Tenure	19
5.1	Introduction.....	19
5.2	Existing types and sizes.....	19
5.2.1	Background and definitions.....	19
5.2.2	Dwelling type	20
5.2.3	Dwelling size.....	21
5.3	SHMA findings.....	22
5.4	Household composition and age structure	23
5.4.1	Age structure	23
5.4.2	Household composition.....	24
5.5	Dwelling mix determined by life-stage modelling	26
5.5.1	Adjustment of model results.....	29
5.6	Tenure	30
5.7	Definitions.....	30
5.8	Current tenure profile	31
5.9	SHMA findings.....	31
5.10	Affordability.....	32
5.10.1	House prices.....	32
5.10.2	Income.....	33
5.10.3	Tenure split within Affordable Housing	Error! Bookmark not defined.
5.11	Affordable housing- quantity needed.....	34
5.12	Conclusions- Type, Size and Tenure	39
6.	Conclusions	41
6.1	Overview	41
6.2	Recommendations for next steps.....	43
	Appendix A : Housing Needs Assessment Glossary	44

List of acronyms used in the text:

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

1. Executive Summary

1.1 Introduction

1. Farringdon in East Devon commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed 2 research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

1.2 Research Questions

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

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

1.3 Findings of RQ 1: Quantity

2. This HNA recommends an overall HNF of 13 dwellings, which equates to 1 dwelling per year between 2018 and 2031.
3. The housing figure for East Devon is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in East Devon and any indicative housing requirement figure provided by East Devon for neighbourhood areas.
4. At the time the final Neighbourhood Plan housing requirement figure is provided by East Devon, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.
5. The Parish undertook a Housing Need and Facilities Survey in June 2019 which found that there are 44 households expecting to move during the next decade. Of these, 28 have indicated a preference to move away from the Parish, and 16 wish to move within the Parish. Providing appropriate options for the concerns raised by households in the community should be considered where possible.

1.4 Findings of RQ 2: Type, Size and Tenure

6. To minimise misalignments between supply and demand, 19.5% of dwellings in new developments should have one-bedroom, 63.4% should have two-bedrooms, 17.1% should have three-bedrooms, 0% should have four-bedrooms and 0% should be of 5 or more bedrooms.
7. The group should also consider measures to increase the supply of affordable housing, such as exception sites, if suitable locations can be found.
8. Farringdon contains 145 households, 53 of which are detached houses, 44 semi-detached, 19 terraced houses and 25 flats. There is a high rate of home ownership in Farringdon, and barely any social or affordable tenures available.
9. Homes are generally very large and occupied by older families and single occupancies. 82.4% of homes contain five or more rooms. There is a lack of smaller dwellings, potentially contributing to affordability issues for single people, young families and Older people wishing to downsize.
10. The 2014 Exeter Housing Market Area SHMA recommends a property size target 60% one and two-bedrooms and 40% three/four-bedroom split in the market sector to provide a more balanced housing stock. The SHMA also cites that low-cost market housing is likely to be smaller one and two-bedroom units which are provided to meet the needs of households with income levels just adequate to access the housing market.
11. Farringdon's demographic profile in 2031 is expected to be dominated by households aged 65, followed by those aged 35 to 54. Three-bedroom homes are particularly popular among both of the two dominant age bands, with the 35 to 54 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for two-bedroom homes. It is advisable to promote the delivery of bungalows in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural village like Farringdon.

12. Housing prices in Farringdon have risen 25% in the last decade. The group should also consider measures to increase the supply of affordable housing, such as exception sites, if suitable locations can be found.
13. This HNA suggests there is a need for around 5 homes for social/affordable rent over the plan period. There is a further need for around 15 homes for affordable home ownership, though these households have greater resources and are, by and large, living in the private rented sector. AECOM suggests a tenure split of 50% social/affordable rent and 50% affordable home ownership.

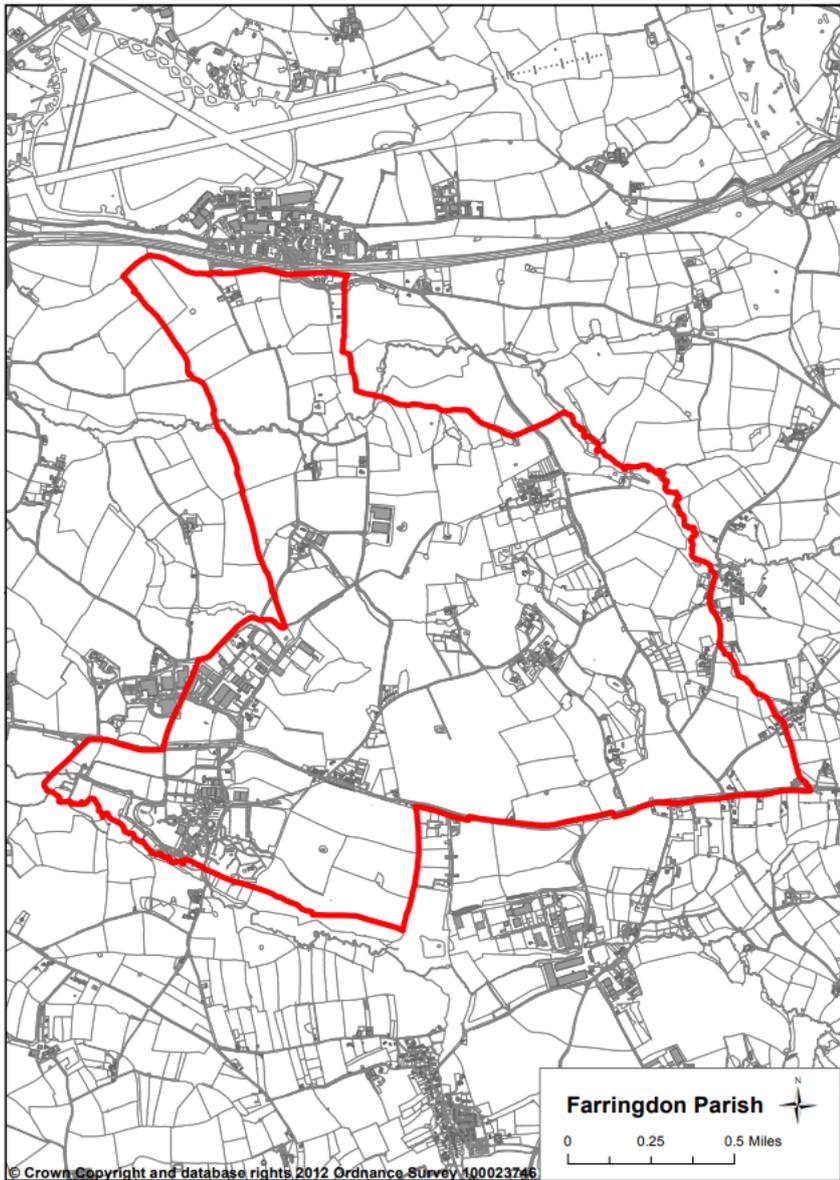
2. Context

2.1 Local context

14. Farringdon is a Neighbourhood Plan area located in East Devon, Devon. The Neighbourhood Area (NA) boundary mirrors the boundary of Farringdon Parish. It comprises the village of Farringdon, the hamlet of Denbow and parts of Perkin's Village and Rosamondford, as well as other scattered farms and houses. It was designated as an NA in 2015.
15. The proposed Neighbourhood Plan period starts in 2018 and extends to 2031, therefore comprising a planning period of 13 years.
16. The rural parish is surrounded by the parishes of Clyst Honiton, Aylesbeare, Colaton Raleigh, Woodbury, Clyst St Mary and Sowton.
17. The NA is 6 miles east of Exeter, south of both Exeter International Airport and the A30, and is bounded on the east by the hills which separate it from the Otter Valley. Most of the rural roads within the Parish are single track, and several well-connected roads have seen dramatic increases in use due to development around the area.
18. The majority of the Parish is open countryside and has been predominately agricultural for centuries. Today there is a mixture of arable and pastoral farming in the Parish, providing important wildlife habitats for various species.
19. Several business parks are located nearby, as well as the new town of Cranbrook which seeks to have up to 6,550 properties by 2027.¹ Clyst St Mary has also seen a number of large developments in the past few years.
20. The statistics show that in the 2011 Census the NA had a total of 313 residents. 16% of the population was under 18, and more than half of the population (56%) was over 45. 80% of households were owner-occupiers and 30% were living in privately rented dwellings.
21. As of August 2018, the Farringdon Neighbourhood Plan 2018-2031 is undertaking a first round of consultation with the community and local stakeholders, in an informal capacity. Submission is expected before the end of 2019.
22. A map of the Plan area appears on the following page in Figure 2-1.

¹ Details available at: https://web.archive.org/web/20070928161853/http://www.eastdevon.gov.uk/eb_rpt_191005_item21.pdf

Figure 2-1: Map of the Farringdon Neighbourhood Plan area²



Source: <http://www.fra.btck.co.uk/NeighbourhoodPlan>

23. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. This aspect has been considered where relevant in the HNA.

² Available at <http://btckstorage.blob.core.windows.net/site378/Farringdon%20Neighbourhood%20Plan%201st%20Consultation%20Version%20May19.pdf>

2.2 Planning policy context

24. In line with the Basic Conditions³ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁴ Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
25. In the case of Farringdon, the relevant local planning context is as follows:
26. The East Devon Local Plan was adopted in 2016 and exists in companionship with the East Devon Villages Plan adopted in 2018.⁵ The East Devon Villages Plan regards the 'Built-up Area Boundaries' of Beer, Broadclyst, Clyst St. Mary, Colyton, East Budleigh, Feniton, Kilmington, Lymptone, Musbury, Newton Poppleford, Sidbury, Uplyme, West Hill, Whimble and Woodbury.
27. As Farringdon is designated as countryside, communities in the Parish are considered unsustainable for development and therefore have not received a housing allocation from the East Devon LP. However, development is acceptable to meet local needs such as affordable and older people's housing.

2.2.1 Policies in the adopted local plan⁶

Table 2-2: Summary of East Devon adopted policies having relevance to Farringdon Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
Strategy 1- Spatial Strategy for Development in East Devon	East Devon Local Plan 2013-2031	Planned provision is to be made for a minimum of 17,100 new homes in the plan period. The Local Plan sets out how development in smaller towns, villages and rural areas will be geared to meeting local needs: the seven main towns of East Devon will form the focal points for development to serve their own needs and needs of the surrounding area.
Strategy 2- Scale and Distribution of Residential Development	East Devon Local Plan 2013-2031	Future development in the plan period will be accommodated with specific allocations to strategic sites in the area. Cranbrook, nearby Farringdon, has 4,370 strategic allocations. Villages and rural areas have 206.
Strategy 7- Development in the Countryside	East Devon Local Plan 2013-2031	The countryside is defined as all those parts of the plan area that are outside the Built-up Area Boundaries and outside specific allocations on the proposals map. Development in the countryside will only be permitted where it is in accordance with a specific Local or Neighbourhood Plan policy that explicitly permits such development and where it would not harm the distinctive landscape, amenity and environmental qualities within which it is located.
Strategy 8- Development in Green Wedges	East Devon Local Plan 2013-2031	Within Green Wedges, development will not be permitted if it would add to existing sporadic or isolated development or damage the individual identity of a settlement or could lead to or encourage settlement coalescence.

³ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁴ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁵ Available at <https://eastdevon.gov.uk/planning/planning-policy/local-plan-2013-2031/> and <https://eastdevon.gov.uk/media/2558248/edvp-adopted-version.pdf>

⁶ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
Strategy 9- Major Development at East Devon's West End	East Devon Local Plan 2013-2031	Within the West End of East Devon, a new Market Town scheme will be provided in Cranbrook, as part of the development strategy and the provision of homes close to jobs and other facilities and services.
Strategy 12- Development at Cranbrook	East Devon Local Plan 2013-2031	Land at Cranbrook is allocated for development as a new market town, including mixed use development, housing, social and community facilities, recreation and education facilities and jobs. Around 6,300 new homes are allocated, with peak build rates of 500 new homes a year.
Strategy 34- District Wide Affordable Housing Provision Targets	East Devon Local Plan 2013-2031	Areas defined by the Built-up Area Boundary have a target of 25% Affordable Housing. All other parts of East Devon will have a 50% target of Affordable Housing, with the exception of those areas permitted under Strategy 35 'Exceptions' policy.
Strategy 35- Exception Mixed Market and Affordable Housing at Villages, Small Towns and Outside Built-up Area Boundaries	East Devon Local Plan 2013-2031	Exception site mixed affordable and open market housing schemes, at villages and outside of Built-up Area Boundaries, for up to or around 15 dwellings will be allowed where there is a proven local need demonstrated through an up to date robust housing needs survey. Affordable housing must account for at least 66% of the houses built.
Policy H2- Range and Mix of New Housing Development	East Devon Local Plan 2013-2031	Planning permission will not be granted for new residential development which provides for 15 dwellings or more, or is situated on a site of 0.5 ha or larger, unless it contains a mix of dwelling sizes or comprises predominantly, or totally, of smaller dwellings.

Source: <https://eastdevon.gov.uk/planning/planning-policy/local-plan-2013-2031/>

3. Approach

3.1 Research Questions

28. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct our research and provide the structure for the HNA.
29. Below we set out the RQs relevant to this study, as discussed and agreed with Farringdon.

3.1.1 Quantity

30. As demonstrated in our review of the current planning context (Chapter 2 above), Farringdon does not currently benefit from a specific housing requirement figure (HRF) in the East Devon planning framework.
31. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, East Devon has stated it will be providing Farringdon with an HRF as part of the next iteration of the emerging Local Plan. However, the neighbourhood planners have asked if AECOM is able to calculate as an interim step before that point the potential HNF in line with national policy and best practice, and East Devon have indicated they have no in-principle objection to this element of the HNA.⁷
32. As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by East Devon after the completion of this report, and that in line with national policy, the East Devon HRF will supersede the HNF calculated by AECOM (if it comes to a different figure).
33. With all this in mind, an appropriate RQ for this study is as follows:

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

3.1.2 Type, Size and Tenure

34. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group identifies a need for a variety of types and sizes required, including homes that will suit the elderly, and small-scale affordable housing.
35. The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.
36. Effort has also been made to provide commentary on how this relates to issues of affordability and tenure.

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

⁷ See the introduction to the Quantity chapter for a definition of HNF, HRF, and the distinction between the two.

3.2 Relevant Data

3.2.1 Local authority evidence base

37. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Farringdon Neighbourhood Area is located within East Devon's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is known as the Exeter Housing Market Area SHMA 2014.
38. For the purpose of this HNA, data from East Devon's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

39. In addition to the East Devon evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Population and household projections produced by the Office of National Statistics (ONS);
 - Neighbourhood-level survey and consultation work giving further detail. In the case of Farringdon, this comprises the 2019 Farringdon Household Need and Facilities' Survey.

3.3 Farringdon Neighbourhood Plan Housing Need and Facilities Survey 2019

3.3.1 Summary

40. The Parish of Farringdon carried out a Housing Need and Facilities Survey in June 2019, in conjunction with the preparation of the Farringdon Neighbourhood Plan. Out of the approximately 140 survey forms distributed, 116 completed forms were returned.
41. The survey found that the majority of homes in Farringdon are comparatively large, owner-occupied, detached or semi-detached buildings. Around three-quarters of the housing stock has three or more bedrooms, although over 50% of respondent households comprise of only 2 people.
42. Interestingly, over 50% of the Survey's respondents have lived in their current home for 10 years or more, and there is a proven appetite and ability in the community for self-build and alternative delivery methods.
43. 16 households within the Parish plan on moving within the next 10 years, to another house in Farringdon. These are labelled 'Households in Need', meaning that they have expressed a will to find alternative accommodation within the Parish. Most of them have lived in the Parish for over 10 years and are looking for a two- or three-bedroom home. The majority of these anticipate being able to purchase their own home, and do not have a limited housing budget.
44. Respondents to the Survey stated that if a need is identified, many would support the building of a small number of houses for local people, depending on location and quality.
45. The majority of respondents cited a will to stay in Farringdon and encourage young families to set up home in the Parish to ensure a more vibrant future.
46. New findings from the Housing Need and Facilities Survey which help to provide robust analysis have been included within relevant sections the following HNA, as they provide personal expressions of housing need to reinforce our assessment.
47. Although the Survey had a high response rate, the data from the Survey contains less information regarding demographics than the Census data used primarily and is therefore less robust. But it provides an up-to-date account of housing need and is worth referring to for changes in data findings.

4. RQ 1: Quantity

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

4.1 Introduction

48. The NPPF (paragraph 65) states that 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 which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
49. NPPF paragraph 66 states that “Where it is not possible to provide a requirement figure for a neighbourhood area⁸ the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”⁹
50. Given that a housing requirement figure of zero has been provided to Farringdon at the time of writing there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Plan area.
51. In calculating this HNF, it should be noted that paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). Having said this, clearly AECOM’s calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
52. The Planning Practice Guidance¹⁰ states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
53. A housing need figure (HNF) is a policy-off figure. This means that, while it takes account of the factors set out paragraph 66 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a policy-on Neighbourhood Plan housing requirement figure (HRF).
54. We have estimated the number of new dwellings that should be sought in the Neighbourhood Plan area over the Plan period (the Housing Need Figure or HNF) using a four-step approach seeking to reflect to the maximum extent the 2019 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) advice. This is set out in the box overleaf.

⁸ For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

⁹ NPPF, paragraph 66, page 18- available at <https://www.gov.uk/government/publications/national-planning-policy-framework-2>

¹⁰ Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Step 1: “the population of the neighbourhood area”

The HNF for the Neighbourhood Plan area should take as its starting point the housing target for the Local Planning Authority (LPA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LPA Local Housing Need Assessment (LHNA) figure that reflects the share of the LPA population living in the Plan area.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the standard method.¹¹ This calculation takes the most recent MHCLG-approved household population projection for the LPA, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

Step 2: “most recently available planning strategy of the planning authority”

We then follow the guidance presented in the NPPF which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”¹² and “the most recently available planning strategy of the local planning authority.”¹³

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LPA housing target that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

Step 3: Dwelling completions

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed) at this point, they should not be deducted from the total until they are completed.

Step 4: the Local Authority

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their area where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the Neighbourhood Plan area. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.¹⁴

55. Employing this methodology, the Housing Needs Figure for the Neighbourhood Area may be calculated as follows:

¹¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹² NPPF, paragraph 65, page 18.

¹³ Ibid.

¹⁴ Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

4.2 Standard method (Step 1)

56. Firstly, we calculate the Local Housing Need (LHN) for the LPA using the standard method outlined in Planning Policy Guidance, before taking the population of the Neighbourhood Plan area, and calculating the proportion of the total population of the LPA area that it represents. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Neighbourhood Plan area.
57. It is worth noting that the HNF is a policy-off figure, which differs than the LP's strategic approach, which relies on strategic allocations at sustainable locations.
58. The East Devon LHN figure, using the standard method, is calculated as follows¹⁵:
59. **Stage one** is to set the baseline, by calculating the projected average annual household growth in East Devon over a 10-year period, beginning with the current year, using the most recent ONS household projections:
- According to East Devon's 2014-based household projection, total household growth will be 4,961 households (thus occupying 4,961 dwellings) between 2019 and 2029.
 - This equates to 496 (rounded) dwellings per year.
60. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,¹⁶ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:
- East Devon's 2018 median affordability ratio is 9.97. Using the formula outlined in PPG to calculate the adjustment factor¹⁷ results in a minimum annual figure of 682 dwellings (rounded).
61. **Stage three** is to apply a cap which limits the magnitude of increase an LPA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
 - Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
 - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
 - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
 - The relevant strategic policy in this case is Strategy 1 in the East Devon Local Plan (adopted 2016). As this document was adopted within the last five years, the first option above is applied to apply the cap.
 - Strategy 1 of the East Devon Local Plan sets out a minimum of 17,100 new homes in the plan period. This equates to 950 dwellings per year for the District.
 - We now apply a 40% uplift to this figure to produce the cap: $950 + 40\% = 1,330$ dwellings per year. The cap is therefore 1,330 dwellings. As this is higher than 682 (the result of Step 2), the cap does not apply.
62. Having derived East Devon's LHN, we now calculate Farringdon's share of that target, by determining what proportion of East Devon's population currently reside in Farringdon and applying that percentage to East Devon's LHN.
63. At the time of the last Census, there were 313 people living in Farringdon, or 0.2% (rounded) of the 132,457 people in

¹⁵ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁶ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

¹⁷ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

East Devon. Therefore, applying this percentage to East Devon's LHN of 682 gives an indicative HNF for Farringdon of 1 dwelling (rounded) per annum, or 13 dwellings over the Neighbourhood Plan period 2018-2031.

4.3 Latest available LPA planning strategy (Step 2)

64. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available¹⁸ development plan document for the LPA. The policies reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the Neighbourhood Plan area that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
65. In East Devon, this document is the 2016 East Devon Local Plan. The overall strategy for the pattern and scale of development is outlined in Strategy 2 and Strategy 7.
66. Farringdon is designated as a Parish in a rural area. Strategy 2, which outlines the scale and distribution of residential development, gives a total of 1,123 dwellings to be delivered in villages and rural areas out of a total of 16,393 for East Devon. This number is made up of completed dwellings, sites with permission, sites making progress through the planning system, and strategic allocations. Of the 6,781 strategic allocations for all of East Devon, 206 are in villages and rural areas.
67. There are no strategic allocations in Farringdon and no sites making significant progress through the planning system. Of the 733 dwellings on sites with planning permission or under construction in the villages and rural areas, 2 dwellings are located in Farringdon, according to the background paper cited in the Local Plan (EDDC Housing Monitoring Update to 31 March 2015).
68. Farringdon's share of the development planned for villages and rural areas is therefore understood to be minimal. It is therefore reasonable to assume that Strategy 7 applies in full to Farringdon. It states that development is only permitted where it is in accordance with a specific Local Plan or Neighbourhood Plan policy.
69. The only Local Plan policy explicitly permitting development is Strategy 35, which allows affordable housing exception sites of up to or around 15 dwellings where there is a proven local need demonstrated through an up to date robust housing needs survey.
70. Otherwise, according to Strategy 7, development will only be permitted if planned for in the Neighbourhood Plan.
71. The relevant policy context pertaining to the pattern and scale of development across East Devon, then, requires no development in Farringdon. It is therefore not possible to have regard to that overall planning strategy without reducing Farringdon's HNF to 0.
72. Therefore, it is necessary, for the purpose of this calculation, to proceed with the figure of 1 dwelling per year, or 13 over the Plan period, derived in Step 1 above.

4.4 Past dwelling completions (Step 3)

73. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period, i.e. the period between 2018 and present (2019).
74. There have been 7 dwelling completions in Farringdon between 2011 and present, as confirmed by East Devon District Council.
75. Therefore, after deducting the 7 completions, a residual HNF of 6 dwellings can be calculated for the remainder of the Plan period to 2031, equating to 0.5 dwellings per year, or 1 dwelling every 2 years.

4.5 Final Housing Need Figure

76. Based on the evidence above, this HNA recommends an **overall HNF of 13 dwellings, which equates to 1 dwelling per year between 2018 and 2031.**
77. The housing figure for East Devon is derived from the Government's Standard Methodology and may change as the Government publish new affordability data each year and new household projections approximately every two years.

¹⁸ This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of East Devon, the most recently 'available' planning strategy is the 2016 East Devon Local Plan, which is the most recently 'adopted' planning strategy.

This could impact on the number of homes required in East Devon and any indicative housing requirement figure provided by East Devon for neighbourhood areas.

78. At the time the final Neighbourhood Plan housing requirement figure is provided by East Devon, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.
79. It is worth noting that the Parish undertook a Housing Need Survey in June 2019 which found that while 50% of the respondents have lived in their current home for 10 years or more, there are 44 households expecting to move during the next decade. Of these, 28 have indicated a preference to move away from the Parish, and 16 wish to move within the Parish. Providing appropriate options for these 16 households in the community should be taken into account where possible and this survey suggests the majority of these households are interested in self-build.
80. There are also more than a dozen households who indicated they have a local or family connection, who do not currently reside in Farringdon, who wish to set up a home in the Parish.

5. RQ 2: Type, Size and Tenure

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

5.1 Introduction

81. The Farringdon Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
82. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Farringdon. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.
83. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs.

5.2 Existing types and sizes

5.2.1 Background and definitions

84. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
85. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
86. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows¹⁹:
 - 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedrooms, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
87. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing

¹⁹ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²⁰ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

88. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "*One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.*"²¹ On this basis, where unrelated *residents* of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.
89. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.²² To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
90. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
91. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
92. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,²³ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

5.2.2 Dwelling type

93. The 2011 Census shows that there were 145 households in Farringdon, living in 53 detached houses, 44 semi-detached, 19 terraced houses, and 25 flats. Farringdon is characterised by similar housing proportions as the LPA, although there are slightly more semi-detached homes and slightly less purpose-built blocks of flats (see Table 5-1 below).
94. The proportion of detached homes in Farringdon comprises over a third of all homes in the NA, whereas the national average is only one in five. As fitting with a rural Parish of its size and development pattern, there are significantly fewer proportions of flats as compared to both East Devon and England.
95. A lack of small dwellings such as flats may make it difficult for single people, those in need of affordable homes, or the elderly to find homes which meet their needs in the area. Farringdon has twice the proportion of flats within converted or shared houses as East Devon, although still relatively few numbers of such dwellings. This proportion demonstrates that owners of larger homes have recognized and attempted to fill this need, as this is the result of the conversion of one large house.

²⁰ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

²¹ Ibid.

²² NPPF 2019.

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

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

Dwelling type		Farringdon	East Devon	England
Whole house or bungalow	Detached	36.6%	38.5%	22.4%
	Semi-detached	30.3%	25.7%	31.2%
	Terraced	13.1%	19.5%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	6.9%	9.5%	16.4%
	Parts of a converted or shared house	9.7%	4.8%	3.8%
	In commercial building	0.7%	1.5%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

96. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in Farringdon is characterised by generally larger dwellings than in East Devon, with those of five rooms or more comprising 82.4% of the housing in the NA. The largest difference between East Devon and Farringdon is Farringdon's high proportion of dwellings of nine rooms or more, following the housing traits common of many rural Parishes. The LPA has significantly more small dwellings of one to four rooms.

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

Number of Rooms	2011	2011
	Farringdon	East Devon
1 Room	0.0%	0.3%
2 Rooms	2.2%	1.4%
3 Rooms	2.9%	6.5%
4 Rooms	12.5%	18.9%
5 Rooms	17.6%	23.0%
6 Rooms	18.4%	19.2%
7 Rooms	11.8%	12.2%
8 Rooms or more	8.1%	8.5%
9 Rooms or more	26.5%	10.0%

Source: ONS 2011, AECOM Calculations

97. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is the growth in four room dwellings in Farringdon, as compared with a decline in East Devon and a moderate increase at the national level. Persistent is the lack of one, two and three room dwellings, compared with uneven but in some cases strong growth in the comparator geographies, and Farringdon's modest increase in dwellings of eight or more rooms compared with relatively high increase in East Devon and England. Note that despite the higher growth in this largest category in East Devon, Farringdon's proportion of dwellings with eight or more rooms remains close to double that of the wider District, as we saw in the table above.

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

Number of Rooms	Farringdon	East Devon	England
1 Room	0.0%	1.3%	-5.2%
2 Rooms	0.0%	17.9%	24.2%
3 Rooms	0.0%	14.3%	20.4%
4 Rooms	41.7%	-4.7%	3.5%
5 Rooms	14.3%	-2.4%	-1.8%
6 Rooms	-10.7%	6.5%	2.1%
7 Rooms	6.7%	19.3%	17.9%
8 Rooms or more	20.5%	29.0%	29.8%

Source: ONS 2001-2011, AECOM Calculations

98. It is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. Consistently across all geographies, three-bedroom homes contain the greatest proportion of bedrooms in household spaces. This data shows that the distribution of bedrooms in Farringdon relies heavily on large houses of four or more bedrooms, at double the national average.

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

Bedrooms	Farringdon		East Devon		England	
All categories: no. of bedrooms	266	100.0%	59,071	100.0%	22,063,368	100.0%
No. bedrooms	0	0.0%	76	0.1%	54,938	0.2%
1 bedroom	7	2.6%	4,499	7.6%	2,593,893	11.8%
2 bedrooms	38	14.3%	17,726	30.0%	6,145,083	27.9%
3 bedrooms	109	41.0%	23,183	39.2%	9,088,213	41.2%
4 bedrooms	72	27.1%	10,086	17.1%	3,166,531	14.4%
5 or more bedrooms	40	15.0%	3,501	5.9%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

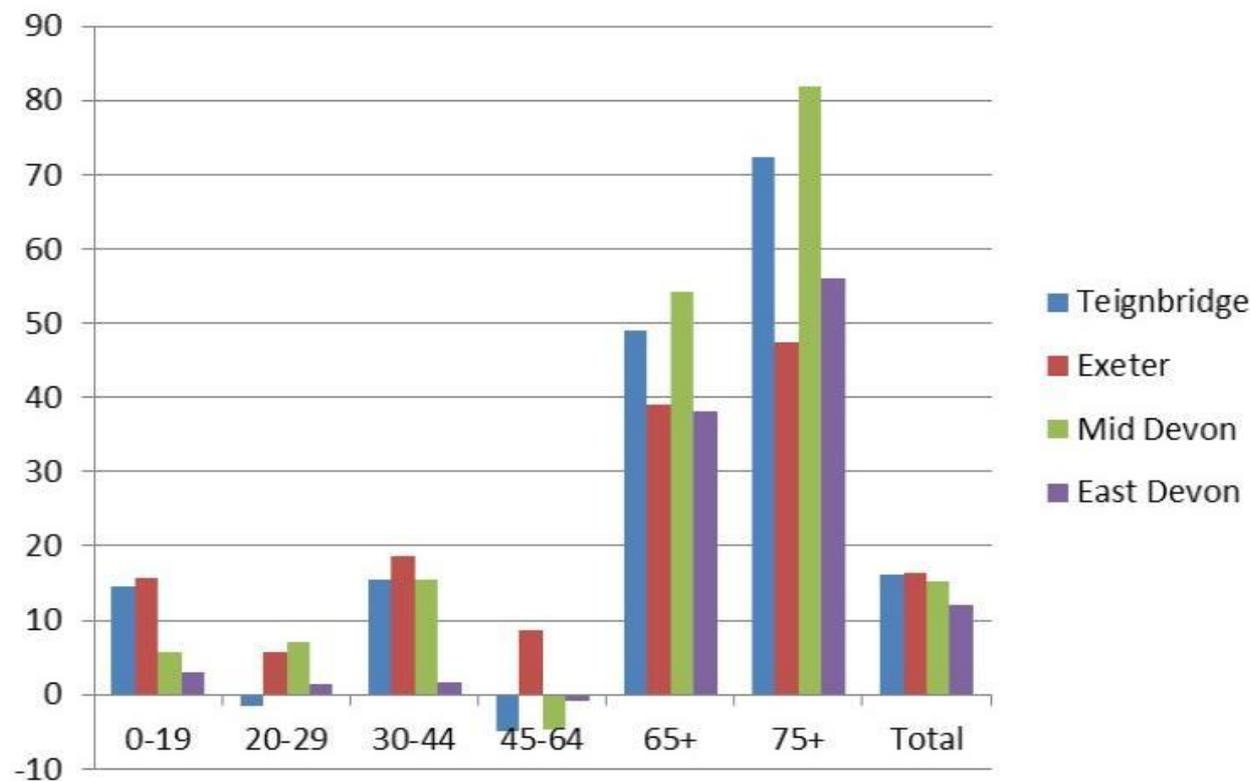
5.3 SHMA findings

99. According to the 2014 Exeter Housing Market Area SHMA, East Devon contains 38.4% detached homes, one of the highest in the market area. It has one of the lowest rates of flat/maisonettes as well, at 15.8% of total homes.²⁴
100. The SHMA finds that 74.9% of homes in East Devon are owner occupied, 15.1% private rent/other, 9.3% social rent and 0.5% shared ownership.
101. East Devon has a high number of average bedrooms (2.9). The District also has the largest concentration of social housing stock as compared to Teignbridge, Exeter, and Mid Devon, where the majority of these homes have two or three-bedrooms.
102. Detached home prices averaged £392,228, as compared with the national average of £368,918. Flats in the District are particularly high in price, averaging £178,113 as compared with £108,343 for Mid Devon.
103. The combination of the larger property types and the demographic profile creates a high level of under-occupation by two spare bedrooms of 39% in the whole stock ranging from 32.2% in Exeter and 39.5% to 43.6% in the other authorities.

²⁴ <https://eastdevon.gov.uk/planning/planning-policy/preparation-of-local-plan/examination-and-hearing-sessions-and-further-consultation/strategic-housing-market-assessment-shma/>

- 104. The SHMA recommends a property size target of 60% one and two-bedrooms and 40% three/ four-bedroom split in the market sector to provide a better-balanced housing stock.
- 105. The Exeter Housing Market Area SHMA predicts significant growth amongst the elderly population, particularly in East Devon. The 65+ age group is expected to increase by 48% between 2013 and 2033 in the District, which may place more demand on smaller homes and bungalows.
- 106. Furthermore, the increase in even older households (ages 80+) may have implications for support services, options for housing with support, extra care housing long term suitability of accommodation, equity release schemes, adaptations, and other age related care requirements.

Figure 5-1: Percentage population change 2013-2033 by age



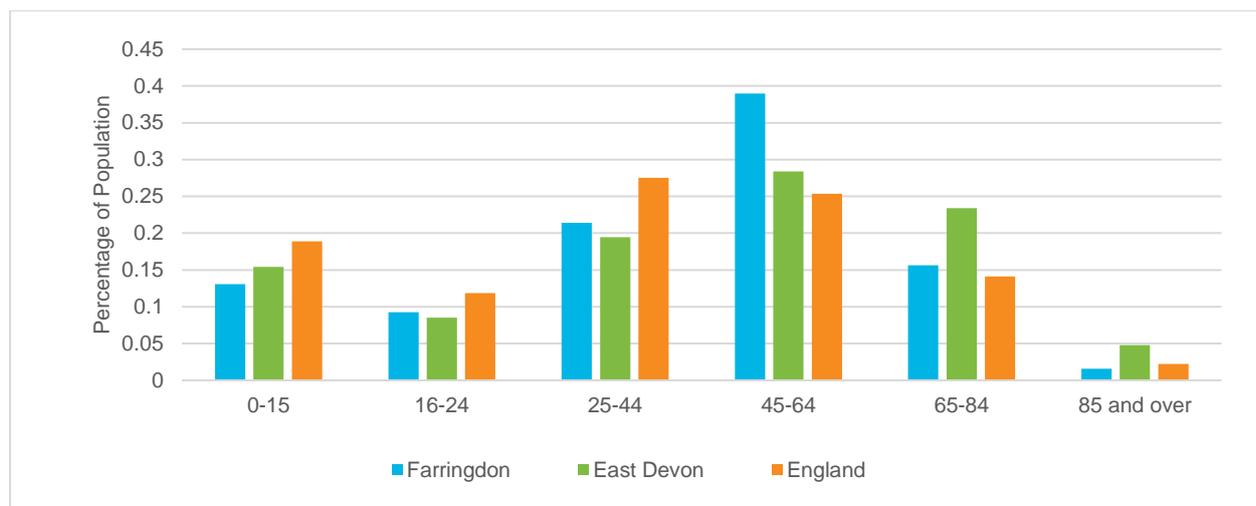
5.4 Household composition and age structure

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

5.4.1 Age structure

- 108. The 2011 Census data reveals that Farringdon has a significantly higher proportion of adults aged 45-64 than both comparator geographies (see Figure 5-2 below). Although the NA’s proportion of those over 65 is less than East Devon, this will be expected to change as the large group of 45-64s ages accordingly.
- 109. Interestingly, the rates of those under 24 in Farringdon is less than the national average, which is contrary to the expectation of a correlation between middle-aged adults and their family types. This may be due a lack of amenities for young families deterring people from the area.

Figure 5-2: Age structure in Farringdon, 2011



Source: ONS 2011, AECOM Calculations

110. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has lost a high amount of young adults and their children, but gained substantial amounts of those over 65 (see Table 5-5 below).

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

Age group	Farringdon	East Devon	England
0-15	-36.9%	-0.8%	1.2%
16-24	3.6%	7.6%	17.2%
25-44	-15.2%	-4.9%	1.4%
45-64	22.0%	11.9%	15.2%
65-84	48.5%	8.7%	9.1%
85 and over	25.0%	21.9%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.4.2 Household composition

111. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

112. In assessing Census data on household composition, we see that Farringdon differs from the LA in that there is an overall lower proportion of one person households, but a higher composition of these are under the age of 65 (Table 5-6). Proportions of one family households between the NA and LA are very similar, although families over 65 are half as common in Farringdon. There are slightly more families without children in the NA as compared to both East Devon and the national average, and a significantly lower proportion with dependent children than the English average. This aligns with the finding about that the high proportion of those aged 45-64 is, unusually, not complemented by a high proportion of young children.

113. Other household types account for a similar proportion of households as the national average, which is almost double that of East Devon. Interestingly, there is a higher proportion of families with non-dependent children in Farringdon than East Devon. These households might include those with adult children who are unable to move out into their own homes due to affordability issues.

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

Household composition		Farringdon	East Devon	England
One person household	Total	25.7%	30.9%	30.2%
	Aged 65 and over	7.4%	18.3%	12.4%
	Other	18.4%	12.6%	17.9%
One family only	Total	64.7%	63.8%	61.8%
	All aged 65 and over	8.8%	15.2%	8.1%
	With no children	25.7%	19.7%	17.6%
	With dependent children	17.6%	21.0%	26.5%
	All children Non-Dependent	12.5%	8.0%	9.6%
Other household types	Total	9.6%	5.2%	8.0%

Source: ONS 2011, AECOM Calculations

114. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were a massive rise in one person households, four times that of the national average (see Table 5-7). This dramatic rise involved a greatly diverging age composition, as the under 65 households in Farringdon have contributed to significant growth in the proportion of one person households.
115. Another notable contrast is the significant decline in families with dependent children in Farringdon, compared with modest growth in that group in East Devon. Over the same period, the number of families with non-dependent children has increased much faster in Farringdon than in East Devon or England as a whole.
116. Finally, Farringdon's population of other household types (such as multi-family and shared households) rose at higher rates than that category expanded in both the District and England. This may be due to the rising frequency of house sharing and student living across the country and especially in cities.
117. Seen in the context of Farringdon's comparatively large stock of dwellings, these trends towards single occupancy, older households and fewer families with dependent children may warrant a Neighbourhood Plan policy intervention to restrict the future supply of larger dwellings to some extent. However, it may also be the case that the low rise in the number of families in Farringdon is a function of the limited number of dwellings that are both appropriately-sized and affordable to younger families, so it may be beneficial also to encourage the provision of mid-sized housing suitable for this demand segment.

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

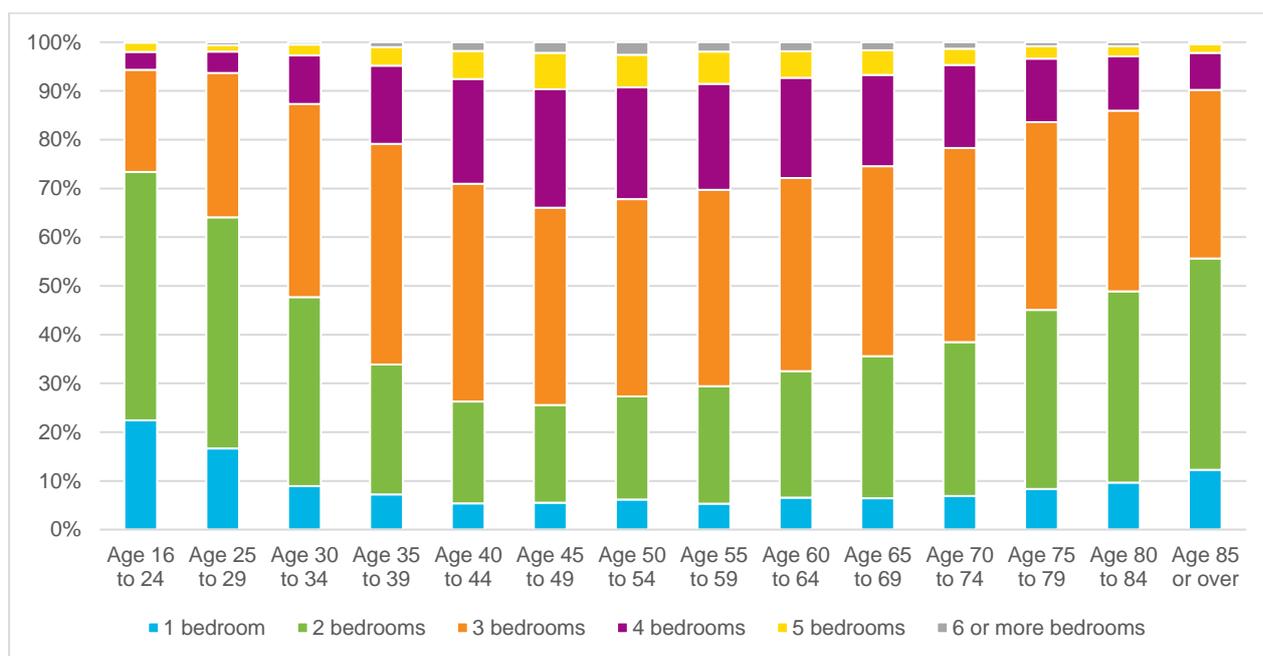
Household type		Percentage change, 2001-2011		
		Farringdon	East Devon	England
One person household	Total	52.2%	11.8%	8.4%
	Aged 65 and over	-9.1%	-0.5%	-7.3%
	Other	108.3%	36.5%	22.7%
One family only	Total	4.8%	5.2%	5.4%
	All aged 65 and over	71.4%	-2.8%	-2.0%
	With no children	12.9%	8.4%	7.1%
	With dependent children	-27.3%	5.0%	5.0%
	All children non-dependent	30.8%	15.5%	10.6%
Other household types	Total	44.4%	9.2%	28.9%

Source: ONS 2001-2011, AECOM Calculations

5.5 Dwelling mix determined by life-stage modelling

118. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
119. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for ‘head of household’) is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
120. Figure 5-3 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period.
121. The data shows that while a majority of East Devon households under the age of 30 live in one- or two-bedroom dwellings, the proportion of households occupying these smaller dwellings declines steeply as households age, before gradually increasing from the age of 40-44, until they are again occupied by a majority of households only from the age of 85 onwards. Three-bedroom dwellings are the most common dwelling size for 10 of the 14 age bands considered here. The occupation of dwellings with four or more bedrooms follows a similar curve to that of two-bedroom dwellings, but peaks at the age of 45-49, while the occupation of one-bedroom dwellings is consistently low, in accordance with the fact that only 7.6% of dwellings in East Devon contain only one bedroom.

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



Source: ONS 2011, AECOM Calculations

122. We then use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2031, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-8 below.

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	977	4,215	18,436	11,332	24,111
2014	1,094	4,472	18,209	10,683	26,513
2031	1,195	4,157	18,807	11,158	35,368
2039	1,251	3,979	19,143	11,424	40,349

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

123. At this point, it is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Farringdon. To do so, the percentage of increase expected for each group across East Devon, derived from the data presented above was mapped to the population of Farringdon. The results of this calculation are detailed in Table 5-9 below:

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1	10	120	51	84
2014	1	11	119	48	92
2031	1	10	122	50	123
% change 2011-2033	0%	0%	2%	-2%	46%

Source: AECOM Calculations

124. Then, to complement the two stages above, in Table 5-10 below we set out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across East Devon by the end of the plan period.

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

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	22.4%	12.2%	6.0%	6.0%	8.6%
2 bedrooms	50.9%	42.4%	21.8%	25.1%	35.6%
3 bedrooms	21.0%	35.4%	42.4%	39.9%	37.9%
4 bedrooms	3.7%	7.6%	21.7%	21.1%	13.8%
5+ bedrooms	2.0%	2.4%	8.1%	7.9%	4.1%

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

125. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in East Devon and Farringdon falling into each of these stages by the end of the Plan period in 2031, it is now possible to recommend how the housing stock could evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see Table 5-11 below).

126. The table takes in turn each projected age group in 2031, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. By doing so for each age bracket and then adding together the totals for each dwelling size, we arrive at an estimation of what proportion of each size of dwelling will be required overall. By multiplying the number of households by the percentages in Table 5-10 above, the results are rarely whole numbers and are therefore presented as rounded. Because the totals are derived from the exact (non-rounded) data, not all columns and rows will sum precisely.

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

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2031	1	10	122	50	123	-
1 bedroom	0	1	7	3	11	22
2 bedrooms	1	4	27	13	44	88
3 bedrooms	0	3	52	20	47	122
4 bedrooms	0	1	27	11	17	55
5+ bedrooms	0	0	10	4	5	19

Source: Census 2011, AECOM Calculations

127. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-11 above modelling the change in the age structure of the population in Farringdon.
128. Table 5-12 below indicates that, by 2031, the size distribution of dwellings should be as follows, indicating that the distribution of dwellings should be weighted much more towards the medium and smaller end of the spectrum, with a much higher focus on two-bedroom dwellings, a similar proportion of three-bedroom dwellings, and significantly lower percentages of dwellings with four or more bedrooms. This aligns with our findings throughout this chapter that Farringdon's homes are generally large, while its households are becoming smaller over time.

Table 5-12: 2011 housing sizes compared to ideal distribution at end of Plan period, Farringdon

Number of bedrooms	2011		2031	
1 bedroom	7	2.6%	22	7.3%
2 bedrooms	38	14.3%	88	28.6%
3 bedrooms	109	41.0%	122	39.9%
4 bedrooms	72	27.1%	55	17.9%
5 or more bedrooms	40	15.0%	19	6.3%
Total households	266	100.0%	307	100.0%

Source: Census 2011, AECOM Calculations

129. Table 5-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.
130. This indicates the current supply of four and five or more bedrooms is greater than projected future demand, and that there is a significant misalignment in the current supply of one, two and three-bedroom dwellings. It is unsurprising that one-bedrooms are undersupplied at present as they represent just 2.6% of all dwellings, which is unusually low.

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

Number of bedrooms	2011	2031	Change to housing mix	Recommended split
1 bedroom	7	22	15	19.5%
2 bedrooms	38	88	50	63.4%
3 bedrooms	109	122	13	17.1%
4 bedrooms	72	55	-17	0.0%
5 or more bedrooms	40	19	-21	0.0%

Source: AECOM Calculations

131. The interim result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand, 19.5% of dwellings in new developments should have one-bedroom, 63.4% should have two-bedrooms, 17.1% should have three-bedrooms, 0% should have four-bedrooms and 0% should have 5 or more bedrooms.
132. Note that the changes to the housing mix given above for four and five-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with four or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further four and five-bedroom dwellings over the Neighbourhood Plan period.
133. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA, and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5.1 Adjustment of model results

134. However, it is important to caveat the result of this model, because it is based on past trends and existing supply. Future supply, not just demographic profile, can influence occupancy patterns. For instance, it may be that the construction of smaller bungalows would encourage older people to downsize, but in the absence of such accommodation, these older households will remain in their large five-bedroom homes. For this reason, we verify the results further with respect to occupancy trends at the national level (England and Wales).
135. This would give the following split (Table 5-14):

Table 5-14: Nationally-adjusted future potential misalignments of supply and demand for housing, Farringdon

Number of bedrooms	2011	2031	Change to housing mix	Recommended split
1 bedroom	7	34	27	28.8%
2 bedrooms	38	80	42	45.7%
3 bedrooms	109	133	24	25.5%
4 or more bedrooms	72	46	-26	0.0%

Source: AECOM Calculations

136. A direct comparison between the two recommended splits above (based first on District occupation patterns and second on national occupation patterns) is given in Table 5-15 below.

Table 5-15: District-based and nationally-adjusted recommended housing size mixes compared, Farringdon

Number of bedrooms	District-based mix	Nationally-adjusted figure
1 bedroom	19.5%	28.8%
2 bedrooms	63.4%	45.7%
3 bedrooms	17.1%	25.5%
4 or more bedrooms	0.0%	0.0%

Source: AECOM Calculations

137. This recommended split based on East Devon data implies that greater numbers of two-bedroom dwellings are needed than national occupancy data would suggest. This is explained by the higher proportion of large homes in existence in East Devon than in the country as a whole, which also includes cities where larger homes are rarer (and where one-bedroom homes such as flats are more common, and therefore recommended here in greater numbers). To reflect this, the HNA advises viewing the recommendations set out in Table 5-13 and Table 5-14 above with a degree of flexibility.
138. It is worth noting that in the 2019 Household Need and Facilities Survey, an appetite to downsize was the main reason for households wanting to relocate outside of the Parish. 3 households were also anticipating a need for more suitable accommodation as they enter old age.
139. The Survey also finds that the Parish has high rates of those who work from home, resulting in the need to consider rooms as office spaces, not just bedrooms. This could relate to why there are high rates of large homes but small household sizes.

5.6 Tenure

140. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
141. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.²⁵

5.7 Definitions

142. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.²⁶
143. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes). However, it still recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
144. In paragraph 64 of the NPPF, the Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable

²⁵ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁶ NPPF 2019.

home ownership". In line with PPG,²⁷ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

5.8 Current tenure profile

145. In order to examine appropriate tenures for the Parish, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data.
146. Table 5-16 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Farringdon, compared to the rest of East Devon and England.
147. As compared with the national and District average, Farringdon has a very high rate of home ownership. Second highest is the private rented sector, which is similar to the national average. East Devon has a slightly lower rate of private rentals, possibly due to their comparatively high rate of social rented accommodations as compared to Farringdon. Social rented accommodations in the Parish are very low, demonstrating that 1 home in 2011 was of social tenure. There is also 1 home that is of shared ownership in the Parish, which is on par with the rates of shared ownership in East Devon and England.

Table 5-16: Tenure (households) in Farringdon, 2011

Tenure	Farringdon	East Devon	England
Owned; total	80.1%	75.0%	63.3%
Shared ownership	0.7%	0.5%	0.8%
Social rented; total	0.7%	9.3%	17.7%
Private rented; total	16.2%	13.6%	16.8%

Sources: Census 2011, AECOM Calculations

148. In Table 5-17 we note the changes in the way households occupied their homes during the intercensal period.
149. There has been a significant decline in social rented accommodations and a large increase in the proportion of private rented homes from 2001-2011. 12 additional private rented accommodations were gained over the period, indicating that there is demand in the area for alternatives to increasingly unaffordable home ownership and that the private rental sector is filling that gap.
150. Rates of home ownership have increased slightly across East Devon and Farringdon. East Devon has seen a large increase in shared ownership, leading the national average in this trend. Shared ownership schemes could provide an alternative to those living in the private rented sector in Farringdon. .

Table 5-17: Rates of tenure change in Farringdon, 2001-2011

Tenure	Farringdon	East Devon	England
Owned; total	3.8%	3.7%	-0.6%
Shared ownership	0.0%	57.1%	30.0%
Social rented; total	-66.7%	2.2%	-0.9%
Private rented; total	120.0%	74.8%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

5.9 SHMA findings

151. The 2014 Exeter Housing Market Area SHMA found that East Devon's average property price rose from £114,793 to £249,225 between 2000-2013, a growth of 118%.
152. In terms of future affordable housing delivery, the SHMA highlights a lack of ability for first-time buyers to enter the housing market, and recommends a tenure mix balance of 75:25 between social rent and intermediate housing. **It is important to note that the SHMA focuses on households who have unsuitable housing and cannot afford to access**

²⁷ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

market housing. Whilst the needs of some households who might be able to access intermediate products are taken into account the SHMA does not make a full assessment of the scale of need or demand from households who can afford to rent but cannot afford to buy (and would prefer to do so).

153. The requirement for property size in the intermediate housing market is mainly one and two-bedroom units to meet the needs of concealed households forming and unable to access the market sector as a first-time buyer. The SHMA states there is a small level of need for some three-bedroom properties from existing households often in our experience due to relationship breakdown. A property size target of 50% one, 40% two bedrooms and 10% for three-bedroom properties could be set to meet the requirements of households for intermediate housing for sale.
154. Low cost market housing is likely to be smaller one and two-bedroom units, which are provided to meet the needs of households with income levels just adequate to access the housing market. Given that household growth will be mostly from smaller households, it is considered that smaller units will play a key role in meeting future market housing requirements.
155. In view of the current stock balance, the scale of likely annual new provision and the requirement to address priority household need, a level of 80% / 85% of future delivery in the affordable sector should be one and two-bedroom units – marginally lower than the waiting list need levels.

5.10 Affordability

156. Having now reviewed both the tenure of the existing housing stock in Farringdon and the findings of the SHMA, we now turn to assessing future provision over the Neighbourhood Plan period.
157. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

5.10.1 House prices

158. In line with PPG²⁸, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio²⁹ (LQAR) and the Median Affordability Ratio³⁰ (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time. Further, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.³¹
159. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two-bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
160. Figure 5-4 looks at selected measures of house prices in Farringdon. It shows that the average price of homes in the Parish have grown from £230,162 in 2009 to £277,013 in 2018. Lower quartile homes have grown over 25% over the years, proving it difficult for those on lower incomes to enter the housing market. The large difference in house prices between the lower quartile and mean homes indicates that there are many homes in the area which are quite expensive.

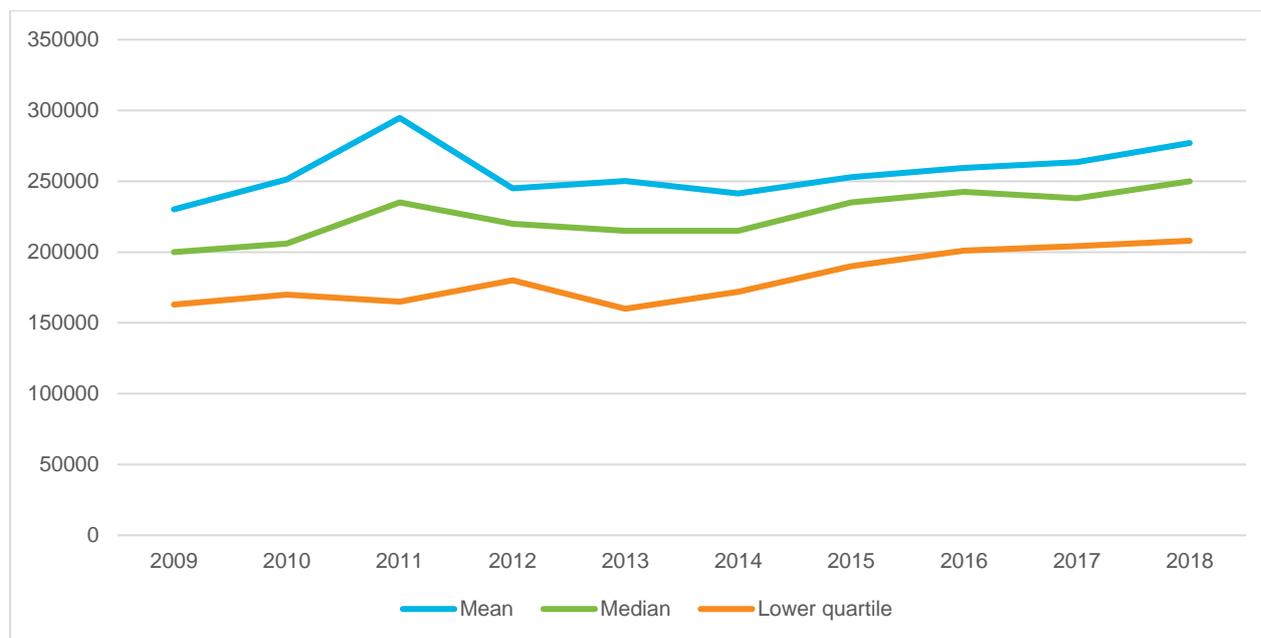
²⁸ See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁹ See Glossary in Appendix.

³⁰ See Glossary in Appendix.

³¹ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 5-4: House prices in Farringdon between 2009 and 2018



Source: Land Registry PPD

- 161. Table 5-18 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that there has been a 49% growth rate of the price of flats in the area, suggesting they are of limited supply. As flats are usually smaller and more affordable (despite the recent increase), their price reflects high demand for smaller dwellings in the NA.
- 162. Detached homes are the most common housing type in Farringdon, the price of which has risen by £76,012 over the period, also contributing to unaffordability of the area.

Table 5-18: House prices by type in Farringdon, 2008-2017

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£310,500	£368,273	£427,922	£313,892	£355,526	£334,515	£335,189	£331,669	£353,645	£386,512	24.5%
Semi-detached	£204,636	£222,683	£233,636	£224,410	£219,732	£238,677	£223,507	£242,995	£241,181	£247,085	20.7%
Terraced	£169,849	£177,280	£194,869	£172,713	£191,129	£195,248	£205,415	£215,344	£219,909	£216,333	27.4%
Flats	£109,333	£136,500	£97,500	£141,292	£128,392	£139,457	£152,006	£165,533	£161,688	£163,031	49.1%
All Types	£230,163	£251,346	£294,747	£244,907	£250,253	£241,395	£252,825	£259,455	£263,436	£277,014	20.4%

Source: Land Registry PPD

5.10.2 Income

- 163. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used two sources of data for household incomes in the NA.

164. The first is locally specific but limited to the average total household income and the median net annual household income. This is the average household income estimates published by ONS³² at the level of the Middle-layer Super Output Area (MSOA)³³. In the case of Farringdon, the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02004142.
165. The average net annual household income before housing costs (equalised) across E02004142 in 2016 was £34,600, while the average total annual income was £43,200.³⁴
166. The second source of data provides the Lower Quartile (LQ) average earnings that is helpful for understanding affordability challenges among those with lower than average earnings, but it is only available at the District level and so is less locally-specific.
167. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2018 provisional data has been published, the revised 2017 data is considered more robust and is therefore used here.
168. East Devon's gross LQ weekly earnings for 2017 was £533.8, or approximately £28,800 per year.
169. This LQ figure is a helpful indication of what those in the lowest income brackets are able to put towards their housing costs, although it is important to note three caveats. First, it is individual earnings rather than household income. Where a household has two people earning their income is likely to be higher. Second, this figure applies to the wider District and may therefore differ from actual LQ income levels within the NA itself. Third, it is an indication of gross rather than net incomes, and so the actual amount of income received after taxes and expenses will likely differ.
170. The LQAR for Farringdon is the LQ price in 2018 divided by the LQ earnings. In Farringdon, this equates to 10 (rounded) which is high.
171. Given the relatively high incomes in the MSOA and lack of affordable housing for those earning in the lower quartile, affordable and social tenures can be seen as a way to ensure elderly and newly forming households have a place in Farringdon and should be encouraged as much as possible.
172. The type of affordable housing required should be considered in conjunction with the type and size analysis, in that smaller homes will be more affordable and may also suit the needs of some older households who wish to downsize.

5.11 Affordable housing- quantity needed

173. The starting point for examining the need for affordable housing is the relevant SHMA. Farringdon, within East Devon, is covered by the Exeter SHMA 2014. The SHMA provides estimates of the need for affordable housing in line with guidance at the time. It is important to note that this SHMA is now more than 5 years old and the methodology focuses on identifying the needs of households who cannot access market housing. It does not quantify the full need for affordable housing from households who can afford to rent in the market but cannot afford to buy and may prefer affordable home ownership. This has become a priority of Government in more recent years and is now reflected in revisions to the NPPF which includes affordable home ownership products within the definition of Affordable Housing. The SHMA 2014 identifies a need for 272 affordable homes per annum in East Devon. Pro-rated to Farringdon would imply the need for 0.5 homes per annum in the Parish – a total of 7 over the plan period.
174. Given that the SHMA assessment is more than 5 years old and is largely an estimate of the need for affordable rented homes, this HNA provides localised estimates for Farringdon for both rented and home ownership tenures.
175. In Table 5-20 below we have calculated, using PPG as a starting point,³⁵ an estimate of the total need for affordable rented housing in Farringdon over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority

³²Available at

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

³³ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

³⁴ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

³⁵ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

strategic polices, the calculations set out in Table 5-20 are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

176. It should also be noted that figures in Table 5-20 are largely dependent on information provided by East Devon District Council in its capacity as manager of the local housing waiting list. The council's approach to banding applications is by Emergency Housing Need (Band A), High Housing Need (Band B), Medium Housing Need (Band C), Low Housing Need (Band D) and No Housing Need (Band E).
177. Table 5-20 below relies only on the priority Band D to avoid the risk over over-estimating or double-counting affordable housing need.
178. Band D is defined as:
- Have been assessed as not having a permanent home, or at risk of becoming homeless. This may include people who are rough sleeping, have no fixed abode or are 'sofa surfing', as well as households accepted as statutorily homeless but where it is assessed as possible and appropriate to find private rented accommodation, or those assessed as not in being priority need or are intentionally homeless.
 - Have been assessed as having a low health/wellbeing need.
 - Share facilities, such as a toilet, bath, shower or kitchen.
 - Have a housing need but have no local connection to Devon.
 - Have been assessed as having deliberately worsened your circumstances.
 - Meet a local priority agreed by the local authority managing your application.³⁶
179. Table 5-20 shows that there are currently around 4 households in Farringdon unable to access affordable housing tenures suitable to their needs. The table also suggests that, over the Plan period, 4% of additional households in the Neighbourhood Plan area will fall into need, producing total affordable housing need of 5 households over the plan period (0.4 per annum). **This estimate of the need for affordable rent housing is of the same scale as the SHMA 2014 figure for Farringdon when pro-rated from the East Devon estimates.**
- 180. Table 5-21 provides a separate estimate for the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households but considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy and would prefer to do so. These households are additional to those identified in Table 5-20 and those identified in the Exeter SHMA (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 15 affordable home ownership dwellings over the plan period (just over 1 per annum).**
- 181. It is worth noting that often when the needs of households who cannot afford ownership (but can afford rent in the market) are assessed they appear higher in scale than the need for rented homes. This is because the population of this group is larger, though it is important to keep in mind that their needs are less urgent and the majority are accommodated in the private rented sector. They do not lack housing but would prefer to be accommodated in a different tenure. The supply of homes in the PRS is not taken into account in meeting their needs.**
182. It is important to recognise that these affordable housing estimates do not overlap entirely with, or supersede, the overall Housing Requirement Figure for the Neighbourhood Plan area. Rather, it has an unspecified degree of overlap with it. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for it to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit.
183. It is also important to remember that even after the Farringdon, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
184. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

³⁶ https://www.devonhomechoice.com/how-it-works#Prioritise_applications

Table 5-19 : Estimate of the need for social/affordable rented housing in Farringdon

Step	Stage	Source	Calculations (rounded)	Stage and Step Description
1. CURRENT HOUSING NEED (GROSS)				
a	Homeless households	ONS Census 2011 (QS101EW)	0	The 2011 Census recorded 0 homeless households in Farringdon.
b	Priority need on housing waiting list	East Devon	4	As of February 2019, East Devon District Council recorded 4 households on the affordable housing waiting list for Farringdon, under priority band D. There were no households who applied for the housing waiting list who were deemed to be in the highest two priority bands of need, but all households judged to fall into some form of housing need have been included.
c	Overcrowded households	Census 2011 (QS412EW)	0	Assumption applied that the number remains the same as in the 2011 Census, in which Farringdon recorded 0 households with a bedroom occupancy rating of -1 or less, and that these households are not on the Housing Needs Register.
d	Concealed households	Census 2011	0	Assumption applied that the number remains the same as in the 2011 Census, in which Farringdon recorded 0 households who were concealed, and that these households are not registered on the Housing Needs Register.
e	Backlog need	AECOM	4	Sum of stages a-d
2. NEWLY ARISING NEED				
f	Number of households in 2011	Census 2011	136	The 2011 Census recorded a total of 136 households in Farringdon.
g	Annual household formation between 2011 and end of Plan period (2031)	MHCLG 2014-based household projections; AECOM calculations	1.45	Taking households in 2011 in Farringdon as a proportion of all households in the LPA (0.23%), Farringdon's share of LPA household growth by the end of the Plan period will be 165 (rounded) ($71,811 \times 0.23\% = 165$), an increase of 29 from the 2011 Census. This equates to an annual increase of 1.5 households (rounded) (29/20 years).
h	New household formation between 2011 and 2019	AECOM calculations	12 (rounded)	$g \times 8$ (number of years between 2011 and 2019)
i	Estimated current number of households	AECOM calculations	148	Sum of f + h
j	New household formation between 2019 and end of Plan period	AECOM calculations	18	$g \times 12$ (number of years between 2019 and 2031)
k	Proportion of newly forming households unable to access market housing	AECOM calculations	4%	On account of the lack of income data available at the Farringdon level, the formula used to determine the proportion of newly-forming households unable to access market housing comprises the number of people in social housing at the time of the 2011 Census (1) + backlog need (4) divided by all households (136).
l	Newly Arising Need	AECOM calculations	1 (rounded)	$j \times k$
m	TOTAL AFFORDABLE HOUSING NEED		5 (0.4 per annum)	Sum of e + l

Source: East Devon District Council data, Census 2011, AECOM calculations

Table 5-21 : Estimate of the need for affordable home ownership in Farringdon

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	26.8	Census 2011 number of households in PRS x national % increase 2011 - 2018
1.2 Percentage renters on housing benefit in LA	29%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	7.9	1.1 x 1.2
1.4 Current need (households)	14.2	Current renters (1.1) minus those on HB (1.3) and minus 25% assumed to rent by choice
1.5 Per annum	1.2	1.4 divided plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	18.0	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	12%	Current % of households in PRS
2.3 Total newly arising need	2.1	2.1 x 2.2
2.4 Total newly arising need per annum	0.2	2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	2.5	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.13	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	1.2	Shortfall = (Step 1.5 + Step 2.4) – 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Note: Figures are rounded in excel and may not sum precisely in this table due to rounding. Total shortfall and per annum are correct.

5.11.1 Tenure split within Affordable Housing

185. In terms of the most appropriate mix of tenures within Affordable Housing, it is important to reference East Devon's affordable housing policy, as set out in the Local Plan. **As Farringdon is a rural area new housing development is only to be permitted in exceptional circumstances in order to meet identified local needs.** The Local Plan states that exception site mixed affordable and open market housing schemes in villages and outside of Built-up Area Boundaries, for up to or around 15 dwellings, will be allowed where there is a proven local need demonstrated through an up to date robust housing needs survey. **Strategy 35 in the Local Plan requires 66% of new homes (on sites of up to 15 dwellings) to be affordable. Across the Local Plan area, 70% of affordable housing is required to be social or affordable rent and 30% intermediate tenures though the Plan provides scope to vary this according to site specific circumstances.**
186. This HNA provides an indicative recommendation on the appropriate tenure split for new affordable housing in Farringdon. This is AECOM's judgement, based on the evidence of local need, the wider SHMA evidence base for the local authority as a whole and the stated policy objectives in the East Devon Local Plan. The recommendation is that, broadly, 50% of new affordable homes should be for rent and 50% for affordable home ownership. The reason for this recommendation is as follows:
- The Local Plan policy prioritises the provision of social/affordable rent. Across the District there are sound reasons for this approach. Households needing social/affordable rent have little other choice and have the most urgent housing needs. This group includes homeless households and families living in temporary accommodation. Social/affordable rented housing meets the need of households on the lowest incomes. It is likely to be the priority for affordable housing delivery in Farringdon.
 - The evidence in this HNA suggests that the need (or demand) for affordable home ownership is greater in scale than the need for social/affordable rented homes within Farringdon. This is an issue that is common to many rural areas, where the stock of social/affordable rent is low and so need generated by households already living in the tenure is more limited. Furthermore, newly forming households in Farringdon who need social/affordable rent may move to areas where they have a greater prospect of being housed – often to urban areas with a larger

private or social rented sector. Declining affordability of home ownership in recent years has resulted in more households living for longer in the PRS when they would prefer to buy their own home. These factors would support a shift towards the provision of affordable home ownership products locally.

187. However, the precise mix of affordable homes at the site specific level will be influenced by factors other than the scale of need. The mix will be influenced by viability considerations, the views of Registered Providers including whether they wish to manage small numbers of affordable homes in a rural location, the existing stock mix and other policy objectives. It is important to state that the estimates of need in this HNA or elsewhere do not directly determine affordable housing policies because of these wider policy considerations.
188. AECOM has made suggestions for the split of different products within the tenure split, though this should be considered indicative as it will be subject to wider considerations of costs, viability and the availability of funding for particular products.
189. In line with Paragraph 64 of the NPPF, at least 10% of the homes provided in a development³⁷ should be available for affordable home ownership. As Local Policy and our affordability analysis suggest, there may be greater appetite for these products within the NA based on the scale of potential demand for affordable home ownership products.
190. The NPPF also specifies that exceptions to the 10% affordable home ownership requirement are permissible when such development will “significantly prejudice the ability to meet the identified affordable housing needs of specific groups”- in other words, in cases where the development of affordable home ownership dwellings would reduce the provision of other types of affordable housing such as social and affordable rented homes. Based on the findings of this chapter, there is no evidence that going beyond the 10% threshold in Farringdon would prejudice the provision of much needed affordable rented homes.
191. Shared ownership is recommended as the primary affordable route to home ownership because it is the tenure that extends home ownership to the widest group. There are a number of points to bear in mind:
- a. Despite being introduced back in the 1970s, shared ownership has only recently become mainstream. Partly because the affordability of home ownership has declined sharply in recent years and partly because Government has supported the provision of these homes through funding to housing associations.
 - b. Shared ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families. It is popular due to the increased choice, control and security it offers in comparison to other tenures. Housing for new households and families is a particular concern for Farringdon and so this should be considered as an option for the NA.
 - c. However, it should be noted that there are some issues with shared ownership which should be borne in mind. For example, buyers still have to pay service charges which are not fixed and can increase unpredictably. Buyers are also responsible for the maintenance of the property, however small their share in the property. Staircasing can also be costly, given that the purchase of the additional share will rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling, meaning that a new shared ownership dwelling is often no more affordable than an existing dwelling offered for market sale.
 - d. Registered providers (e.g. housing associations) may be reluctant to deliver this tenure in rural locations as there are ongoing management costs involved. For this reason, discounted market sale homes may prove more attractive because of the more limited ongoing role for the housing association.
192. The tenure split in Table 5-22 should be considered a guideline for the ideal mix of tenures to be delivered within the NA. As such, it will be a useful point of reference when planning applications are considered but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.
193. Where the neighbourhood planners wish to craft policy that enforces this split more rigidly, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA’s support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

³⁷ The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

Table 5-22: Recommended tenure split (Affordable Housing)

Routes to home ownership, of which	50%
Discounted market sale e.g. starter homes	20%
Shared ownership	30%
Affordable Housing for rent, of which	50%
Social rent	25%
Affordable rent	25%

Source: AECOM calculations

5.12 Conclusions- Type, Size and Tenure

194. Farringdon contains 145 households, 53 of which are detached houses, 44 semi-detached, 19 terraced houses and 25 flats. Compared to the national average, the proportion of detached homes is very high, as is to be expected with the nature of a rural village.
195. 82.4% of homes contain five or more rooms in Farringdon. A relative lack of flats and smaller dwellings is noticeable in Farringdon, potentially contributing to affordability issues for single people and small families. Older people also have less options for downsizing within the NA.
196. Farringdon contains twice the proportion of dwellings with eight or more rooms as compared to East Devon. There is a persistent lack of one, two- and three-room dwellings, and the NA's high proportion of large houses of four or more bedrooms is double the national average.
197. There is a high rate of home ownership in Farringdon, and barely any social or affordable tenures available. If the Parish wishes to suit the needs of younger families and older people in the area, they should encourage affordable homes to be built wherever possible.
198. The 2014 Exeter Housing Market Area SHMA recommends a property size target 60% one and two-bedrooms and 40% three/four-bedroom split in the market sector to provide a more balanced housing stock.
199. The SHMA also cites that low-cost market housing is likely to be smaller one and two-bedroom units which are provided to meet the needs of households with income levels just adequate to access the housing market. Given that household growth will be mostly from smaller households, it is considered that smaller units will play a key role in meeting future market housing requirements.
200. According to the 2019 Housing Need and Facilities Survey, there is appetite and capacity for self-build within the Parish, and at least 16 families are looking to move within the Parish in the next 10 years. It is important that the community have appropriate options for mobility, as a large proportion of households looking to leave the Parish cite a lack of ability to downsize as their main driver.
201. From 2001-2011 the NA lost a high proportion of young adults and their children but gained substantial amount of those over age 65. This can be attributed to people ageing across age bands and their children leaving home to pursue education or careers, or also articulate a lack of affordable housing for young families in the area.
202. Farringdon's demographic profile in 2031 is expected to be dominated by households aged 65, followed by those aged 35 to 54. Three-bedroom homes are particularly popular among both of the two dominant age bands, with the 35 to 54 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for two-bedroom homes.
203. Housing prices have risen 25% in the last decade, contributing to a lack of affordable dwellings in the NA. The lack of flats available have driven up prices, pointing to a demand in the market for smaller, more affordable dwellings.
204. The group should also consider measures to increase the supply of affordable housing, such as exception sites, if suitable locations can be found.
205. As Farringdon has a comparatively large stock of larger dwellings, current trends towards single occupancy, older households and fewer families with dependent children warrant a Neighbourhood Plan policy intervention to restrict the future supply of larger dwellings to some extent. It may also be the case that the low rise in the number of families in

Farringdon is a function of the limited number of dwellings that are both appropriately-sized and affordable to younger families, so the development of mid-sized housing suitable for this demand segment should be encouraged.

206. In terms of the sizes of dwellings required, some unmet demand for generally more affordable dwelling sizes should be addressed. To minimise misalignments between supply and demand, 19.5% of dwellings in new developments should have one-bedroom, 63.4% should have two-bedrooms, 17.1% should have three-bedrooms, 0% should have four-bedrooms and 0% should be of 5 or more bedrooms.
207. However, it is worth recognising that this recommendation is limited in several respects. Overall, it reflects the present imbalance in Farringdon's housing stock as much as demographic projections. It should also be noted that this recommended split is the result of a modelling exercise based on census data and is not able to include forms of evidence at local level. These percentages should therefore be applied with some level of flexibility.
208. It is also advisable to support the delivery of bungalows in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural village like Farringdon.
209. Of the 13 dwellings that the AECOM calculations indicate should be provided in the Farringdon over the Neighbourhood Plan period based on its share of the local authority housing need figure, Local Plan policy indicates that 9 (rounded) (66%) should be affordable. However, as a rural area, Farringdon does not have a formal housing requirement figure. New housing can be delivered through exception sites, where evidence of local need exists and the vast majority of this is expected to be affordable housing. This HNA has provided evidence of local need for social/affordable rented and affordable home ownership products which could justify new provision of affordable homes in excess of 13 new homes over the plan period. However, whether this could be achieved would depend on the availability of sites, viability of those sites and funding for new affordable homes and the appetite of local housing associations or other registered providers to deliver.
210. The findings of this chapter on the potential for providing affordable and low-cost tenures across the Neighbourhood Plan area suggest greater potential demand for affordable home ownership products than is evidenced in the 2014 SHMA. As such, AECOM suggests a tenure split of 50% rented and 50% affordable routes to home ownership might be appropriate in this area.
211. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

6. Conclusions

6.1 Overview

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

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

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	2018 National Planning Policy Framework (NPPF), Planning Practice Guidance (PPG), East Devon Local Plan 2013-2031	<p>East Devon’s Local Housing Need figure is calculated at 682 net additional dwellings per year.</p> <p>At the time of the last census, there were 313 people living in Farringdon, or 0.2% of the 132,457 people living in East Devon. Therefore, applying the percentage to East Devon’s annual LHN of 707 gives an indicative HNF for Farringdon of 1 dwelling per year or 13 dwellings over the Neighbourhood Plan period 2018-2031.</p> <p>However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the LPA.</p> <p>Strategy 35 in the East Devon LP allows for schemes of up to or around 15 dwellings to be built in villages, small towns and outside built-up area boundaries. As Farringdon falls within this categorization, it was not provided with any housing allocations in the LP, but is allowed to deliver new homes as long as robust housing need is proven.</p>	<p>Based on the percentage derived from Farringdon’s proportion of East Devon’s population, this HNA recommends an overall HNF of 13 dwellings, which equates to 1 dwelling per year between 2018 and 2031, in absence of the LP policy context.</p> <p>The Farringdon Housing Need Survey found that 16 long term households wish to relocate within the Parish. Providing appropriate options for these 16 households in the community should be taken into account where possible, and the majority of them are interested in self-build.</p> <p>A final Neighbourhood Plan housing requirement provided by East Devon will supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.</p>

<p>Housing type, size and tenure</p>	<p>2014 Exeter Housing Market Area, Census 2011, MHCLG 2014-based household projections, ONS 2001-2011, AECOM Calculations</p>	<p>The vast majority of homes in Farringdon are large, containing five rooms or more, and are owned by their occupiers. One-bedroom dwellings account for 2.6% of dwellings in the NA, highlighting a lack of smaller homes to suit affordability and single people's needs. A chronic lack of affordable and social tenures contributes to the area's affordability issues, as well as a 25% rise in the price of Lower Quartile homes.</p> <p>Farringdon differs from East Devon in that there is an overall lower proportion of one person households, but a higher composition of these are under the age of 65. Families over 65 are half as common in Farringdon, and there are slightly more families without children as compared to both East Devon and the national average. There is a higher proportion of families with non-dependent children in Farringdon than East Devon.</p> <p>Farringdon's age profile is expected to be dominated by those over 65 by the year 2031. From 2001-2011 the NA lost a high proportion of young adults and children, but gained those over the age 65. This can be attributed to people ageing across age bands and their children leaving home to pursue education or careers, or a lack of affordable housing for young families in the area.</p> <p>There are around 4 households in Farringdon unable to access affordable rented homes suitable to their needs. Over the Plan period, 4% of additional households in the Neighbourhood Plan area will fall into need, producing total affordable housing need of 5 households (0.4 per annum).</p> <p>A further 15 households (just over 1 per annum) over the plan period need affordable home ownership. Most are living in the private rented sector but would prefer to buy.</p>	<p>Policy should ensure to restrict the supply of larger dwellings and encourage smaller, more affordable homes to suit the needs of the NA's changing demographic.</p> <p>Farringdon may benefit from efforts to retain newly forming households and families, many of whom appear to be unable to access housing in the parish. Future housing supply should also respond to strongly increasing demand from older households.</p> <p>To minimise misalignments between the supply and demand of dwelling types, the following breakdown is recommended:</p> <ul style="list-style-type: none"> • 19.5% one-bedroom • 63.4% two-bedroom • 17.1% three-bedroom <p>In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types should be addressed. It is also advisable to support delivery of bungalows where viable in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural village like Farringdon.</p> <p>Of the 13 dwellings that the AECOM calculations indicate should be provided in Farringdon over the Neighbourhood Plan period, adopted local policy indicates that at least 9 should be affordable.</p> <p>Local Plan policy expects 70% to be provided as social/affordable rented with 30% for affordable home ownership. However, there is some flexibility expressed in this policy and evidence in this HNA suggests a shift towards affordable home ownership provision (to 50%) in Farringdon could be justified.</p>
--------------------------------------	--	--	--

6.2 Recommendations for next steps

213. This Neighbourhood Plan housing needs assessment aims to provide Farringdon with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with East Devon with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of East Devon – in particular in relation to the quantity of housing that should be planned for;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers;
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by East Devon, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
 - The recommendations and findings of this study; and
 - The impact of the Government's Standard Methodology on calculating housing need for East Devon and the neighbourhood plan areas within it.
214. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
215. Bearing this in mind, we recommend that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, East Devon or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
216. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

b) 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.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms

(March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods³⁸.

Age-Restricted General Market Housing

A 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.

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard³⁹

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁴⁰

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

Concealed Families (Census definition)⁴¹

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household.

³⁸ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³⁹ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

⁴⁰ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁴¹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

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

Fair Share

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁴², i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

⁴² See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose

rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁴³

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

⁴³ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁴⁴

⁴⁴ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

