

FINAL REPORT

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Alderley Edge Housing Needs Assessment (HNA)

July 2019

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Revision History

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
AEPC	Alderley Edge Parish Council
CEC	Cheshire East Council
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HNA	Housing Needs Assessment
HNF	Housing Needs Figure
LPA	Local Planning Authority
LSOA	Lower Super Output Area
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood Area
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NA	Neighbourhood Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment

1. Executive Summary

Introduction

1. This report provides Alderley Edge Parish Council (AEPC) with information about amount and type of housing they should plan for going forward, as well as an understanding of the appropriate tenures within the Neighbourhood Area (NA). The information provided can be used to inform debate within the group, local understanding of the needs and the justification for any site allocation and site mix policies within the neighbourhood plan.
2. The approach taken here recognises that the Neighbourhood Plan will need to meet the statutory 'basic conditions', the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in, 'general conformity with the strategic policies' of the adopted Local Plan.
3. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.¹ As such, this formal Housing Need Assessment (HNA) investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the current Local Plan. This means a neighbourhood plan can propose more housing where there is demonstrable need, but not less than the local plan.
4. In terms of the types and sizes of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand this topic in Alderley Edge, we have gathered a wide range of local evidence and distilled this into recommendations designed to support the development of appropriate housing policies.
5. The information is produced using reputable sources of the most recent data available and tested ways of analysing such data.
6. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
7. Our brief was to advise on data at this more local level to help AEPC understand the tenure, type, and size of housing needed to inform Neighbourhood Plan policies including allocations. The analysis also responds to important background information given to the researchers by the AEPC which resulted in a number of agreed research questions:

RQ1: How should Affordable Housing be split into different tenures and what role is there for market housing in addressing community need over the Plan period?

RQ2: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

Headlines

8. For households on lower incomes, their options as regards housing in Alderley Edge are very limited. Households with an income within the Borough lower quartile can only afford social and affordable rent homes without diverting resources from other forms of expenditure. Owner occupied homes remain dominant in the neighbourhood area (NA), yet these are unaffordable to those even on the average household income in the NA.
9. Moreover, there is a clear need and demand for Affordable Housing in the NA. **We recommend that Affordable Housing for sale (Starter Homes, Discounted market sales housing, and other affordable routes to home ownership such as Shared Ownership) and Affordable housing for rent should be provided in the NA.**
10. Given the limited number of smaller dwellings (1-3 habitable rooms) in the NA, demographic trends point to **an under-supply of smaller dwellings.**
11. The projected population increases and demographic forecasts justify building more homes of all types and sizes, particularly **smaller family housing and housing for the elderly.**

Recommendations for next steps

12. This Neighbourhood Plan housing needs advice has aimed to provide AEPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Cheshire East Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

¹ PPG Paragraph: 006 Reference ID: 2a-006-20140306

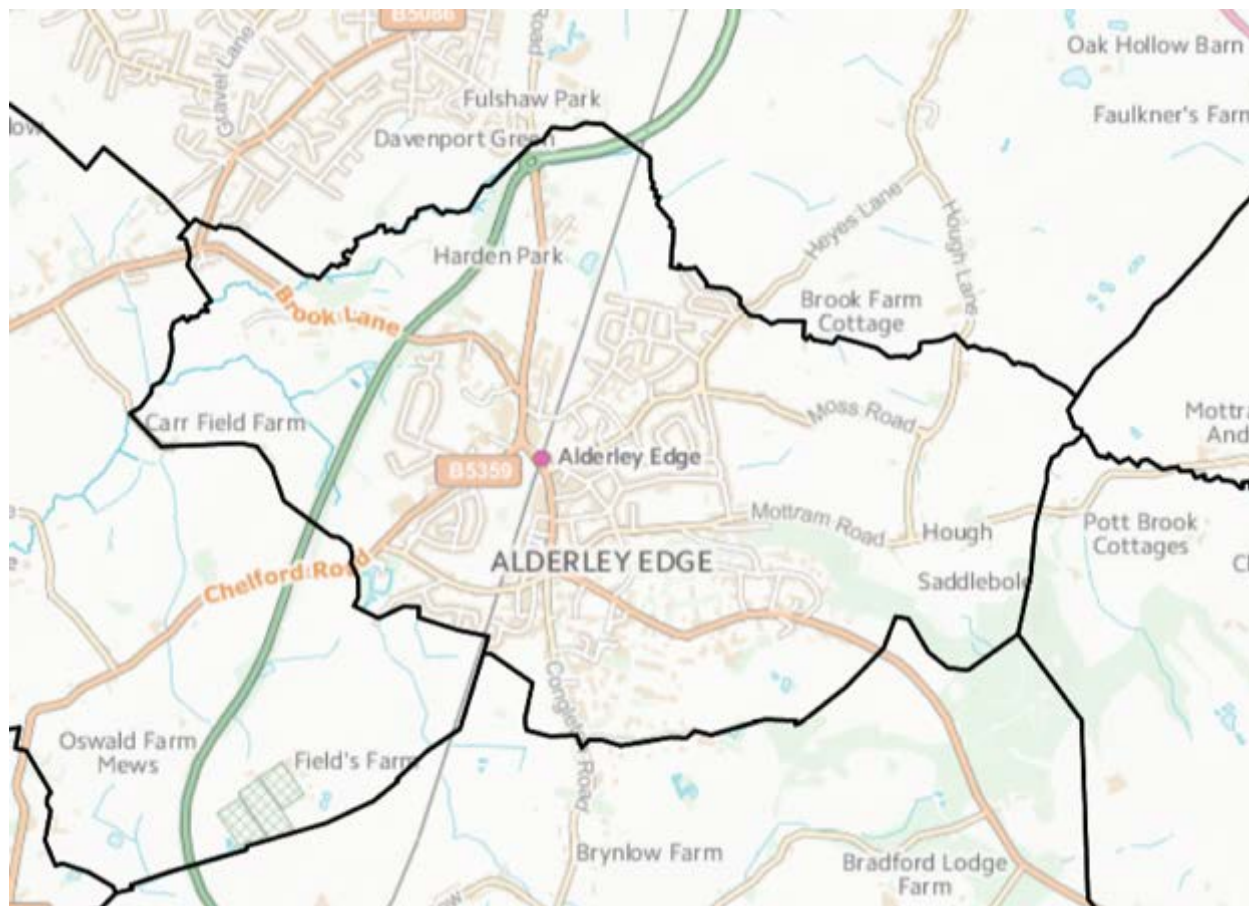
- it has regard to the neighbourhood planning basic conditions that will be tested at examination;
 - the views of Cheshire East Council – in particular in relation to the housing need figure that should be adopted;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers;
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any work carried out by Cheshire East Council to understand the capacity of the NA to absorb housing, including but not limited to the SHLAA; and
 - The findings and recommendations of this study.
13. The Government's on-going changes to the planning system will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
 14. This HNA has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
 15. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by Cheshire East Council or any other relevant body and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
 16. At the same time, monitoring on-going demographic or other trends over the period in which the Neighbourhood Plan is being developed may trigger a review of the policy position adopted in the draft NDP in light of changes in key indicators.

2. Context

2.1 Local context

17. Alderley Edge is a large village, ward and civil parish in Cheshire East Borough, North West England. It is located 2 miles from the town of Wilmslow, 6 miles from Macclesfield, and 15 miles from Manchester City Centre. It is easily accessible to these towns and cities by road links via the A34, which bypasses the village to the west, and also by rail links from Alderley Edge railway station. Development in the village radiates from the Village Centre which is located along London Road south of the railway station. The village is designated as a 'Local Service Centre'² due to its range of services and facilities, and it is the third largest Local Service Centre in the Borough.

Figure 2-1: Alderley Edge Parish boundary



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2.2 Planning policy context

18. In line with the Basic Conditions³ of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the strategic policies in the adopted Local Plan. Consequently, there is a need for the relevant elements of the local plan to be reviewed as part of this Housing Needs Assessment (HNA).
19. The current development plan comprises of the Cheshire East Local Plan. The first part of the Cheshire East Local plan is the local plan Strategy 2010-2030 which was adopted in July 2017. The Site Allocations and Development Policies Document and the Minerals and Waste Development Plan Document will also form the second and final part of the Development Plan once adopted.
20. The Local Plan Strategy 2010-2030 sets out the strategic priorities for the future development of the area, in addition to the planning policies and proposals that are designed to deliver sustainable developments. Here we review the housing chapters and the relevant policies that are outlined.

² Local Plan Strategy 2010-2030

³ PPG Paragraph: 065 Reference ID: 41-065-20140306

"The basic conditions are set out in paragraph 8(2) of Schedule 4B to the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004"

2.2.1 The Local Plan Strategy 2010-2030

21. Any new Neighbourhood Development Plan (NDP) will be considered alongside the local plan when determining applications.

Housing Targets

22. **Policy PG1 Overall Development Strategy** – Sufficient land will be provided to accommodate the full objectively assessed needs for the Borough of a minimum of 36,000 homes between 2010 and 2030. This will be delivered at an average of 1,800 net additional dwellings per year.
23. **Policy PG2 Settlement Hierarchy** – The Local Plan Strategy Settlement Hierarchy designates Alderley Edge as a Local Service Centre. Small scale development in Local Service Centre's will be supported where they contribute to the creation and maintenance of sustainable communities.

Green Belt

24. **Policy PG 3 Green Belt** – Alderley Edge NA is within the Cheshire East Green Belt. This is also designated within the Macclesfield Borough Local Plan Policy GC1 (this is a saved policy that has been adopted within the current Cheshire East Local Development Scheme). Green Belt is a designation for land around large built-up areas, which aims to keep land permanently open or largely undeveloped. Within the Green Belt, planning permission will not be granted for inappropriate development, except in very special circumstances, in accordance with national policy. The construction of new buildings is inappropriate in the Green Belt. Exceptions to this are:

- “the extension or alteration of a building provided that it does not result in disproportionate additions over and above the size of the original building;
- the replacement of a building, provided the new building is in the same use and not materially larger than the one it replaces;
- limited infilling in villages, and limited affordable housing for local community needs under policies set out in the Local Plan; or
- limited infilling or the partial or complete redevelopment of previously developed sites (brownfield land), whether redundant or in continuing use (excluding temporary buildings), which would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development.⁴”

Spatial Distribution

25. **Policy PG7 Spatial Development of Development-** Local Service Centre's are expected to deliver 3,500 new homes (175 new homes per annum).

Housing Mix

26. **Policy SC4 Residential Mix:**

27. New residential development should contain, provide or contribute to a mix of housing types, sizes and tenures that help support the creation of balanced, mixed and inclusive communities. Also:
- Developers will be required to demonstrate how their proposals will meet the long term needs of the Borough's older residents. This includes the provision of a variety of dwelling types and other measures to support Health and Wellbeing and independent living through new developments that recognise the needs of older people, those with dementia and other vulnerable people.
 - Development proposals for accommodation designed specifically for those who require special accommodation and elderly people will be supported if there is a proven need. Such developments must be located within settlements; accessible by public transport; and within a reasonable walking distance of community facilities.

⁴ Local Plan Strategy 2010-2030

Affordable Housing

28. **Policy SC5 Affordable Homes-** In residential developments affordable housing will be provided in developments of 11 or more dwellings (or have a maximum combined gross floorspace of more than 1,000 sq. metres) in Local Service Centres at least 30% of all units are to be affordable. The requirements in this policy is subject to change in the future, if Cheshire East Council provides evidence that requires an alteration of this policy, such as housing needs studies or housing market assessments:

- “Units provided shall remain affordable for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- The affordable homes provided must be of a tenure, size and type to help meet identified housing needs and contribute to the creation of mixed, balanced and inclusive communities where people can live independently longer.
- Affordable homes should be dispersed throughout the site, unless there are specific circumstances or benefits that would warrant a different approach.
- Market and affordable homes on sites should be indistinguishable and achieve the same high design quality.
- The council will seek to improve choice and increase supply of affordable homes to reflect that housing markets change over periods of time and therefore the products that are made available to help people access rented and other affordable housing need to change to meet these market conditions.
- In exceptional circumstances, where scheme viability may be affected, developers will be expected to provide viability assessments to demonstrate alternative affordable housing provision. The developer will be required to submit an open book viability assessment. In such cases, the council will commission an independent review of the viability study, for which the developer will bear the cost. In cases where such alternative affordable housing provision is agreed there may be a requirement for the provision of 'overage' payments to be made. This will reflect the fact that the viability of a site will be agreed at a point in time and may need to be reviewed, at set point(s) in the future.
- Affordable housing is required to be provided on-site, however, in exceptional circumstances, where it can be proven that on-site delivery is not possible, as a first alternative, off-site provision of affordable housing will be accepted; as a second alternative a financial contribution may be accepted, where justified, in lieu of on-site provision.
- Affordable housing and tariff style contributions will not be sought from any development consisting only of the construction of a residential annex or extension to an existing home.”⁵

Rural Exceptions

29. **Policy SC6 Rural Exceptions Housing for Local Needs-** Providing that locally identified affordable housing needs are met, rural exceptions affordable housing will be permitted as an exception to other policies concerning the countryside if the following criteria is met:

- “Sites should adjoin Local Service Centres and Other Settlements and be close to existing employment and existing or proposed services and facilities, including public transport, educational and health facilities and retail services
- Proposals must be for small schemes; small schemes are considered to be those of 10 dwellings or fewer. Any such developments must be appropriate in scale, design and character to the locality
- A thorough site options appraisal must be submitted to demonstrate why the site is the most suitable one. Such an appraisal must demonstrate why the need cannot be met within the settlement
- In all cases, proposals for rural exceptions housing schemes must be supported by an up-to-date Housing Needs Survey that identifies the need for such provision within the parish
- Occupancy will, in perpetuity, be restricted to a person in housing need and resident or working in the relevant parish, or who has other strong links with the relevant locality in line with the community connection criteria as set out by Cheshire Homechoice, both initially and on subsequent change of occupancy. This could include Key Workers and Self Build
- The locality to which the occupancy criteria are to be applied is taken as the parish, unless otherwise agreed with Cheshire East Council

⁵ Cheshire East Local Plan Strategy 2010-2030

- To ensure that a property is let or sold to a person who either lives locally or has strong local connections in the future, the council will expect there to be a 'cascade' approach to the locality issue appropriate to the type of tenure. Thus, first priority is to be given to those satisfying the occupancy criteria in relation to the parish, widening in agreed geographical stages
- Proposals must consist in their entirety of affordable housing that will be retained in perpetuity except in exceptional circumstances.”

3. Approach

3.1 Research Questions

30. Below we set out the RQs relevant to this study, as discussed and agreed with AEPC. Research Questions, abbreviated to 'RQ,' are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA.

Tenure & Affordable Housing

31. More affordable options are needed within the village for elderly down-sizers (e.g. bungalows and smaller homes) if they are to vacate larger properties. There is also a lack of opportunity for younger buyers to get on the housing ladder in the village and many people who have grown up here cannot afford to buy. Therefore, the group is keen to promote Affordable Housing. They would like to include a policy about providing for housing need in Alderley Edge and maintaining a balanced community. Ideally, this policy would specify the proportion between social rented and intermediate housing and be informed by robust evidence.
32. *RQ1: How should Affordable Housing be split into different tenures and what role is there for market housing in addressing community need over the Plan period?*

Type and size

33. The QB has also expressed an interest in the type and size of dwellings needed. They would like to obtain further evidence for policies that can support the aspiration of providing a mixture of homes that encourage the maintenance of a balanced social mix in the community, helping to enable young people on moderate incomes to stay in the village and elderly residents to downsize, freeing up existing family accommodation.
34. *RQ2: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?*

3.2 Relevant Data

3.2.1 The Local Authority Evidence Base

35. Planning Practice Guidance (PPG) states that those bringing forward a neighbourhood plan can refer to existing needs assessments prepared by the Local Planning authority as a starting point. As Alderley Edge Neighbourhood Area is located within Cheshire East, we therefore turned to the Strategic Housing Market Assessment (SHMA) which covers the Borough and informs emerging housing policies at the local authority level, including affordable housing policy.
36. Cheshire East is covered by the Cheshire East SHMA Update. The purpose of the SHMA Update is to provide a strategic view of housing supply and demand in all housing sectors up to 2030 and to provide the Local Authorities with a comprehensive understanding of the dynamics and segments of the functional housing markets operating across the Borough.
37. These documents address the relevant housing market area and inform emerging housing policies at a local authority level, including Affordable Housing policy. The SHMA studies draw 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 NA.
38. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the local plan by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

3.2.2 Other relevant data (from LPA or NP group, e.g. housing survey)

39. In addition to the SHMA, we have gathered a range of other data sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level, and is locally specific. This data includes Census data which provides information on demographic shifts.
40. Market rental data was collected from a range of sources including www.home.co.uk and www.rightmove.com.
41. We also used data from the Alderley Edge Neighbourhood plan Survey Analysis Report.

4. RQ 1: Tenure

How should Affordable Housing be split into different tenures and what role is there for market housing in addressing community need over the Plan period?

4.1 Background and definitions

42. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the payments that are to be made in return for these rights. Broadly speaking, tenure falls into two categories: Affordable Housing (AH), in which households receive some sort of subsidy to enable them to live in their homes; and market housing, in which they do not.
43. We will address this question by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether the continuation of these trends would meet future needs. Alternatively, we may identify that misalignments exist between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment.⁶
44. It is necessary at this stage of the study to make clear the distinction between Affordable Housing in planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (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 such as shared ownership, starter homes and discounted housing for market sale.⁷ To distinguish this from the colloquial definition of homes that are broadly within reach for the majority of the population, we refer to the latter as affordable market housing.
45. The definition of AH set out in the NPPF makes clear the government's commitment to home ownership by broadening the definition of AH to include a range of low-cost housing opportunities for those aspiring to own a home, including Starter Homes. But it also recognises the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
46. In paragraph 64 of the revised NPPF, 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 the NPPF,⁸ the assumption should be that 'major housing development' can be defined as sites of 10 or more units, and that affordable home ownership includes Starter Homes, shared ownership homes and homes available for discount market sale.

4.1.1 Current tenure profile

47. First, it is necessary to present a picture of tenure in the NA based on the most recent reliable data. The table below shows Census data from 2011 that reveals a significantly lower level of households in social rented homes than in the Borough (7.3% against 11.4%). However, home ownership is slightly higher in the NA than the Borough and far higher than the national average (75.7% against 74.5% and 63.3%). Private rental homes are also higher in the NA than the Borough (15.2% against 12.5%) but are still lower than the National average of 16.8%.

Table 4-1: Proportion of housing tenures, 2011

Tenure	Alderley Edge	Cheshire East	England
Owned; total	75.7%	74.5%	63.3%
Shared ownership	0.0%	0.5%	0.8%
Social rented; total	7.3%	11.4%	17.7%
Private rented; total	15.2%	12.5%	16.8%

Source: AECOM Calculations

⁶ PPG Paragraph: 021 Reference ID: 2a-021-20160401

⁷ NPPF 2019

⁸ The NPPF definition is as follows: 'For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m² or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.'

Table 4-2 and Table 4-3 allow us to take a longitudinal perspective, identifying how the tenure profile of the NA has changed between the last two Censuses. From this, it is clear that the trends in the NA are significantly different to that of the Borough. In the NA, the only tenure to experience significant change is the private rental sector, which increased by 151%. Whilst a large increase in this tenure was experienced across the wider Borough, there was also a large increase in shared ownership homes in the Borough (77.4%). This growth was not experienced in the NA, with only one additional shared ownership home in the NA being delivered by 2011.

Table 4-2: Rates of tenure change in Alderley Edge, 2001-2011

Tenure	Alderley Edge	Cheshire East	England
Owned; total	-0.1%	3.2%	-0.6%
Shared ownership	0.0%	77.4%	30.0%
Social rented; total	-1.8%	-2.1%	-0.9%
Private rented; total	151.1%	119.8%	82.4%

Source: AECOM Calculations

48. It is evident from Table 4-3 that there has been little change regarding different tenure types, with the exception of an increase of private rental homes in the NA. Meanwhile, the lack of change in homes does not reflect the changes that have happened between 2001 and 2011 in the wider Borough.

Table 4-3: Tenure change in Alderley Edge, 2001-2011

Tenure	2001		2011	
	Alderley Edge	Cheshire East	Alderley Edge	Cheshire East
All categories: Tenure	2026	147144	2197	159441
Owned; total	1666	115032	1664	118766
Shared ownership	0	439	1	779
Social rented; total	163	18531	160	18141
Private rented; total	133	9069	334	19938

Source: AECOM Calculations

49. To provide a more accurate analysis of tenure change between 2001 and 2011, it is necessary to compare the change between the rates of different tenures between the two Census periods. It is clear in Table 4-4 that there has been a slight decline in the proportion of home ownership in both the NA and the Borough over the period, although this is more acute in the NA (-6.5% against -3.7% in the Borough). This change has been mirrored with a significant increase in private rented homes in both the NA and the Borough (8.6% and 6.3% respectively). As also seen in Table 4-4 there has been little change in the amount of shared ownership and social rented homes.

Table 4-4: Difference between rates of tenure in Alderley Edge, 2001-2011

Tenure	2001		2011		Alderley Edge Percentage Difference	Cheshire East Percentage Difference
	Alderley Edge	Cheshire East	Alderley Edge	Cheshire East		
Owned: Total	82.2%	78.2%	75.7%	74.5%	-6.5%	-3.7%
Shared ownership (part owned and part rented)	0.0%	0.3%	0.0%	0.5%	0.0%	0.2%
Social rented: Total	8.0%	12.6%	7.3%	11.4%	-0.8%	-1.2%
Private rented: Total	6.6%	6.2%	15.2%	12.5%	8.6%	6.3%

Source: ONS 2011, AECOM Calculations

50. Bringing the evidence together it is clear that there has been a slight reduction in the proportion of home ownership in the NA. This decline has been mirrored with an increase in private rental homes. Meanwhile, there has been little change in the tiny amount of shared ownership or social rental homes in both the NA and the wider Borough. Nevertheless, despite the decline in home ownership, this tenure type continues to be important for the majority of all

households in the NA. Meanwhile, the minor decrease in social rented accommodation in the NA represents a notable and continued shortage of this tenure type as also noted in the Alderley Edge Housing Needs Advice Report⁹.

4.2 Affordability

51. 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.
52. In line with the PPG, 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 Ratio¹⁰ (LQAR) and the Median Affordability Ratio¹¹ (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.
53. Due to the lack of data available at a parish level, it is necessary to use data that reflects the wider Borough. Using this data will enable us to establish our understanding of affordability in the parish given the lack of availability of household income data at the parish level. The underlying assumption, that the distribution of household income will be broadly comparable to the Borough is not unreasonable, given the similarity in Census data relating to economic activity between the two geographies as shown below in Table 4-5.
54. Below we set out data relating to economic activity in the Borough and the NA. This demonstrates the closeness of the profile of economic activity in the two geographies. The only exceptions between the NA and the Borough are that slightly lower proportions of part time employees in the NA (11.6% against 14.4%) It is evident that there is little difference between the NA and Borough profiles of economic activity and therefore it is acceptable to use the Borough as a proxy for the NA.

Table 4-5: Economic Activity in Alderley Edge

Economic category		Alderley Edge	Cheshire East	England
Economically active	Total	71.6%	70.6%	69.9%
	Employee: Full-time	39.2%	39.4%	13.7%
	Employee: Part-time	11.6%	14.4%	38.6%
	Self-employed	16.6%	10.7%	9.8%
	Unemployed	2.2%	3.2%	4.4%
	Full-time student	2.1%	2.8%	3.4%
Economically inactive	Total	28.4%	29.4%	30.1%
	Retired	16.2%	17.1%	13.7%
	Student	4.5%	4.2%	5.8%
	Looking after home or family	4.2%	3.5%	4.4%
	Long-term sick or disabled	1.8%	3.1%	4.1%
	Other	1.6%	1.5%	2.2%

Source: ONS 2011, AECOM Calculations

55. On this basis, given similarities between the NA and the Borough, we can therefore use Borough level data from the Cheshire East SHMA Update 2013 as an acceptable proxy. Below we reproduce Table 3.1 from the Cheshire East SHMA Update 2013; which shows the entry-level (lower quartile) property prices, lower quartile gross income per week and the annual gross income and the income to house price ratio in local authorities surrounding Cheshire East in 2012.

⁹ Rural Housing Needs Survey: Alderley Edge Parish (p12)- available online at <https://www.cheshireeast.gov.uk/pdf/housing/alderley-edge-rural-housing-needs-survey-2017-report-final.pdf>

¹⁰ See glossary

¹¹ See glossary

Table 4-6: Lower Quartile House Prices, 2012

District	Lower Quartile House Price 2012*	LQ Gross Income per week 2012	Annual Gross Income 2012	Income to House Price Ratio
South Lakeland	£142,000	£315	£16,354	8.7
Eden	£125,000	£312	£16,203	7.7
Trafford	£142,000	£385	£20,036	7.1
West Lancashire	£126,250	£353	£18,340	6.9
Ribble Valley	£129,200	£366	£19,053	6.8
Cheshire East UA	£122,500	£357	£18,559	6.6
Fylde	£122,000	£357	£18,538	6.6
Cheshire West and Chester UA	£119,000	£349	£18,143	6.6
South Ribble	£108,000	£329	£17,108	6.3
Sefton	£110,000	£340	£17,696	6.2
Stockport	£117,000	£367	£19,100	6.1
Warrington UA	£108,000	£352	£18,288	5.9
Wyre	£103,000	£336	£17,472	5.9
Lancaster	£100,000	£331	£17,228	5.8
Wirral	£104,000	£357	£18,538	5.6
Chorley	£107,500	£370	£19,214	5.6
Allerdale	£90,000	£327	£17,014	5.3
North West	£93,453	£340	£17,696	5.3

Source: Cheshire East SHMA Update 2013

56. As shown in the data presented above in Table 4-6, the LQAR (Income to House Price Ratio) is 6.6, assuming an entry level dwelling of two bedrooms in Cheshire East (suitable for households of 2-4 individuals) as shown Table 4-6 of £122,500, and a lower quartile income of £18,599 (LQ Gross Income per week in Cheshire East is £357, which equates to approximately £18,559).

Figure 4-1: Median property prices in Cheshire East 1996 – 2012, annual rate of change and income required to be affordable

Year	Cheshire East Median Price £	% change on previous year	Income required (£)*
1996	£59,833	~	£17,095
1997	£63,833	6.7	£18,238
1998	£67,650	6.0	£19,329
1999	£70,974	4.9	£20,278
2000	£78,665	10.8	£22,476
2001	£89,150	13.3	£25,471
2002	£101,667	14.0	£29,048
2003	£126,658	24.6	£36,188
2004	£149,475	18.0	£42,707
2005	£155,800	4.2	£44,514
2006	£164,833	5.8	£47,095
2007	£175,833	6.7	£50,238
2008	£165,000	-6.2	£47,143
2009	£165,000	0.0	£47,143
2010	£175,000	6.1	£50,000
2011	£170,000	-2.9	£48,571
2012**	£174,950	2.9	£49,986

Source: Cheshire East SHMA Update 2013

57. To arrive at a median affordability ratio, it is again necessary to use data found in the Cheshire East SHMA Update 2013. Figure 4-1 reproduces data found in Table 4.7 in the SHMA.
58. The median property prices for Cheshire East and surrounding authorities are shown in Figure 4-1. However, there is no data on the median property prices for each bedroom size, and thus it is necessary to use the overall median property price of £174,950. It is also necessary to refer to the Cheshire East SHMA update to obtain the median income data for the Borough. The median income for Cheshire East is £25,979 and from this it is possible to deduct a MAR in 2012 of 6.7.

Figure 4-2: Earnings in Cheshire East, the North West and England

	Cheshire East	North West	England
2009			
Lower Quartile Earnings	£17,826	£17,332	£18,283
Median Earnings	£26,281	£23,930	£25,792
2012			
Lower Quartile Earnings	£18,559	£17,696	£18,933
Median Earnings	£25,979	£24,570	£26,660
% Change 2009-2012			
Lower Quartile	4.1	2.1	3.6
Median	-1.1	2.7	3.4

Source: Cheshire East SHMA Update 2013

Affordability Thresholds

59. To understand affordability of different tenures in Alderley Edge, we use the concepts of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. The full analysis is set out in Appendix A; Table 4-7 and Figure 4-3 provide a summary.
60. For those whose income falls into the Borough lower quartile, their choices are extremely limited (it is not possible to obtain data on the Lower quartile income for the NA).
61. The data we have gathered shows that for those on income around the median they would be able to afford the principal intermediate rented tenure, Affordable Rented housing; in addition, Shared Ownership at a 25% equity share would offer an affordable route to home ownership for these households.
62. For those whose income falls into the upper quartile, their options include the main forms of intermediate housing (Affordable Rent and Shared Ownership), but will struggle to afford market homes, even at the entry-level price-point. This illustrates how property prices have outstripped household income in recent years, and underlines the affordability challenges indicated by the LQAR and MAR.

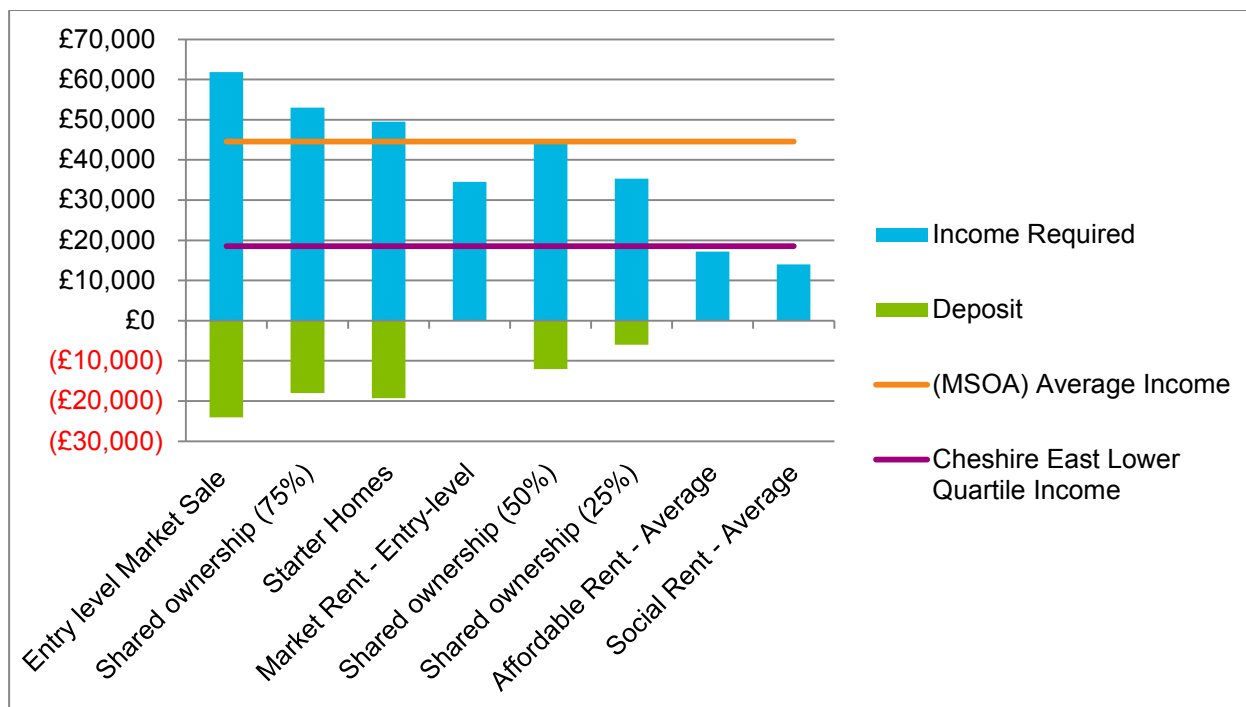
Table 4-7: Affordability Thresholds (Income required, £)

Tenure	Price	Annual rent	Income Required	Deposit
Market Sale	£309,604	-	£79,612	£30,960
Market Rent	-	£11,268	£45,072	-
Entry level Market Sale	£240,625	-	£61,874	£24,063
Shared ownership (75%)	£162,422	£1,654	£53,023	£18,047
Starter Homes	£192,500	-	£49,500	£19,250
Market Rent - Entry-level	-	£8,628	£34,512	-
Shared ownership (50%)	£108,251	£3,309	£44,172	£12,031
Shared ownership (25%)	£54,140	£4,963	£35,320	£6,016
Affordable Rent - Average		£5,736	£17,207	
Social Rent - Average		£4,669	£14,007	

Source: AECOM Calculations

63. The relationship between affordability thresholds and prevailing income levels are set out in Figure 4-3.

Figure 4-3: Affordability thresholds and income distribution



Source: AECOM Calculations

64. It is also useful to look at other sources of data available at the NA Level. The Alderley Edge Neighbourhood Plan Survey Analysis Report results gathered local views on housing preferences. In particular, question 2.3 asked respondents “Which of the following types of new housing (if any) do you think are most needed in Alderley Edge?” The responses to this question have been analysed and are displayed below in Table 4-8 (a more detailed table and figure that reproduces the data from pages 11 and 12 of the Alderley Edge Neighbourhood plan Survey Analysis Report can be found in Table 5-18. It is evident that there is a strong preference for affordable housing and starter homes. Meanwhile, there is a lower demand for social housing and 44% of respondents claim that current levels of supply are already sufficient.

Table 4-8: Residents’ Property type preference

Answer Options	Need a lot more	Need a few more	About right	Too many already	Response Count
Flats	5%	24%	48%	23%	310
Bungalows	14%	38%	40%	8%	325
Small / Affordable / Starter homes	41%	41%	15%	4%	337
Family housing	19%	39%	38%	5%	335
Social housing	9%	32%	44%	15%	334

Source: Alderley Edge Neighbourhood plan Survey Analysis Report, p. 12

4.2.1 Conclusions- tenure and affordability

- 65. Home ownership remains the most dominant tenure type in the NA, although the proportion of this housing tenure is in decline. It is also felt by local people to be the most needed in terms of starter homes.
- 66. From the data presented in Figure 4-3 and Table 4-7 it is clear that those households within the lower quartile of household income can only afford social and affordable rent homes without diverting resources from other forms of expenditure.
- 67. Market, Affordable and social rent in addition to Shared Ownership homes (50% and 25%) offer a route to home ownership for those households with a median income.

- 68. Affordable Housing Tenures should offer access to housing for those households in receipt of income above around £14,007.
- 69. Given that Affordable rent and Social rent are the most affordable tenures, it makes sense for the NA to increase these tenures so as to minimise deprivation in the NA.
- 70. However, evidence from the Alderley Edge Neighbourhood plan Survey Analysis Report shows that the demand for social housing is fairly low and therefore it may indeed make sense to focus on other affordable housing tenures. A greater focus on delivering homes which are for affordable rent is necessary as this is also genuinely affordable to those who earn within the Borough lower quartile income and the demand for this housing tenure is evidently high from the Alderley Edge Neighbourhood plan Survey Analysis Report.
- 71. Moreover, there should also be a focus on delivering starter homes as the survey shows demand for this tenure is also high. However, it must be noted that it is not clear whether respondents to the survey had a particular preference for starter homes or affordable housing, as they were not given the choice to choose between the two options.

The tenure split

- 72. In terms of the tenure split of Affordable Housing, it is important to note the affordability crisis that exists among households with below average incomes in Alderley Edge, who are only able to afford Social and Affordable Rented accommodation. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent. This is in alignment with the Cheshire East SHMA update 2013, which suggests an affordable housing tenure split of 62.4% affordable (social) rented and 37.6% intermediate tenure, which is also similar to the 65% affordable/social rented and 35% intermediate tenure split being advocated by the Council¹².
- 73. Having said this, such policies should in practice be flexibly applied given the need for viability. This question is particularly pertinent in rural locations where small in-fill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, affordable rent also provides a viable option for Alderley Edge households, and should be well-represented in the dwelling mix.
- 74. We also recommend that Starter Homes be delivered in the NA, in accordance with the Government's 10% policy expectation.
- 75. On the basis of the evidence we have gathered, the following split of AH tenures is suggested:

Table 4-9: Tenure split (Affordable Housing)

Affordable Housing	
<i>Affordable/Social Rent</i>	65%
<i>Shared Ownership</i>	15%
<i>Starter Homes</i>	10%
<i>Entry Level Market Rent</i>	10%

Source: AECOM calculations

¹² Cheshire East SHMA Update 2013. pg. 59

5. RQ 2: Type and size

RQ2: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

76. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock.

5.1 Background and definitions

77. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, 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 and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability¹³.

78. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in Census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.

79. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows¹⁴:

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

80. It is also useful to clarify somewhat the Census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained¹⁵, and 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.

81. 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."¹⁶ 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.

¹³ SHMA15, pp.130, para 8.5

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

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

¹⁶ Ibid.

82. Whilst it is unlikely that these issues are of particular relevance to Alderley Edge, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

5.2 Existing types and sizes

5.2.1 Type

83. Table 5-1 below shows the mix of types of dwelling in the NA and how this compares with Borough and national geographies.

84. In Table 5-1 below we present data from the Census relating to the distribution of the types of dwellings in the NA. For most Dwelling types there is not much difference between the NA and the Borough. However, a significant difference is the lower proportion of semi-detached homes in the NA (21.8%) compared to both the Borough (32.2%) and the National average (31.2%). Another significant difference is the high amounts of flats or tenements in the NA (20.6%) compared to the Borough proportion of just 8.8%.

Table 5-1: Accommodation type (households) in Alderley Edge, 2011

Dwelling type		Alderley Edge	Cheshire East	England
Whole house or bungalow	Detached	34.1%	35.1%	22.4%
	Semi-detached	21.8%	32.2%	31.2%
	Terraced	19.1%	21.4%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	20.6%	8.8%	16.4%
	Parts of a converted or shared house	3.3%	1.3%	3.8%
	In commercial building	1.0%	0.8%	1.0%

Source: Census 2011, AECOM Calculations

5.2.2 Bungalows

85. Bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their presence in the Parish. However, it must be noted that the lowest geographical scale this data is available at is the Census Lower Super Output Area (LSOA) level, rather than the parish boundaries. Therefore we have used the area shown in Figure 5-1 as a proxy. The result is presented in Table 5-2 below.

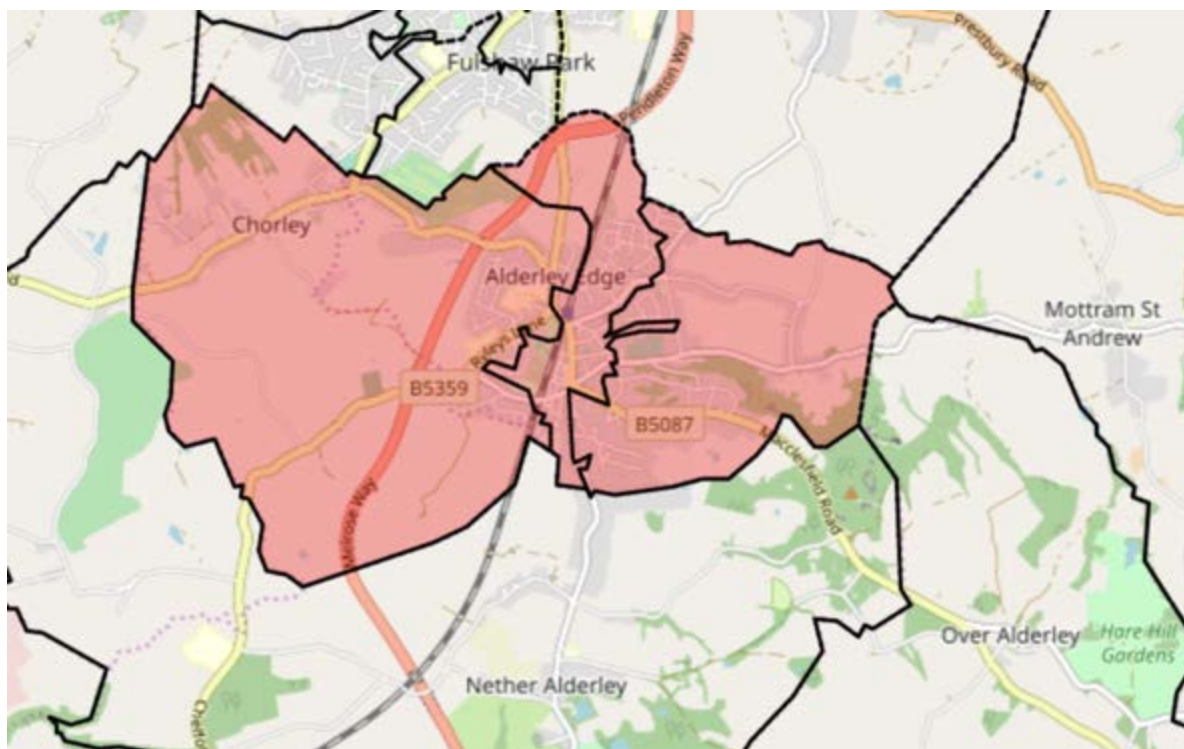
86. The most significant difference between the Alderley Edge and the Cheshire East figures is the higher proportion of 3 bedroom bungalows as a proportion of all bungalows in the NA (43%) compared to the Borough (33%). Bungalows also account for a significant proportion of all homes in both the NA and the Borough (9% and 12% respectively).

Table 5-2: Number of bungalows by property size, 2018

	Alderley Edge		LA	
1 bedroom	20	10% /	2,150	11%
2 bedrooms	50	24%	9,490	49%
3 bedrooms	90	43%	6,320	33%
4 bedrooms +	30	14%	1,370	7%
Unknown	0	0%	20	0%
Total	210	100%	19,340	100%
% of all properties	9%		12%	

Source: Valuation Office Agency, Council tax: stock of properties, 2018, Table CTSOP3.0 and Table CTSOP3.1

Figure 5-1: Alderley Edge Proxy Area



Source: Nomis

5.2.3 Size

87. In Table 5-3 below shows that households are slightly smaller in Alderley Edge compared to Cheshire East (2.1 against 2.3). In the following paragraphs, we further investigate the size of dwellings in the NA.

Table 5-3: Occupancy Summary Table

	Alderley Edge	Cheshire East
All categories:	2,197	159,441
Average household size	2.1	2.3
Average number of rooms per household	6.3	5.9
Average number of bedrooms per household	3.1	2.9

Source: ONS 2011 (KS403EW)

88. It is also relevant to consider how the number of rooms occupied by households has changed between the 2001 and 2011 Censuses. This metric provides a proxy for the size of dwellings in a given geography and this data is presented in Table 5-4. With the exception of homes with 2 rooms, there has been a significant increase in smaller homes in the NA. Homes with 1 and 3 rooms have increased by 33.3% and 34.7% respectively. This is in contrast to a – 21.4% decrease in 1 room homes in the Borough, although there has also been a 26.2% increase in 3 room homes in the Borough. Other notable changes in the NA includes a 13.3% increase in the largest properties of 8 rooms or more in both the NA and more so in the Borough (13.3% and 27.1% increases respectively). Interestingly, there has been a decrease in 7 room homes in the NA by -7.3%, compared to a 13.2% increase in the Borough.

Table 5-4: Rates of change in number of rooms per household in Alderley Edge, 2001-2011 (percentages)

Number of Rooms	Alderley Edge	Cheshire East	England
1 Room	33.3%	-21.4%	-5.2%
2 Rooms	-6.3%	1.4%	24.2%
3 Rooms	34.7%	26.2%	20.4%
4 Rooms	11.7%	3.8%	3.5%
5 Rooms	8.5%	-2.8%	-1.8%
6 Rooms	1.5%	3.3%	2.1%
7 Rooms	-7.3%	13.2%	17.9%
8 Rooms or more	13.3%	27.1%	29.8%

Source: Census 2001 and 2011, AECOM Calculations

89. Table 5-5 below sets out the distribution of the number of rooms by household accommodation (household space). From this data, it is apparent that there is a predominance of larger dwellings, not only in Alderley Edge but also in Cheshire East, whilst there are few houses of one to three habitable rooms.
90. 90.9% of the stock in Alderley Edge can be considered family dwellings (four rooms or more) and 57.9% of them are large properties (with 6 rooms or more). The remaining 32.9% of homes are of medium size (four to five habitable rooms). These figures are fairly similar to the distribution of housing in Cheshire East. In Cheshire East, 91.7% of the stock can be considered family dwellings and 52.5% of these are large properties. Meanwhile only 8.3% of homes in Alderley Edge have one to three rooms compared to a slightly lower 8.3% in Cheshire East.

Table 5-5: Number of rooms per household space, 2011

Number of Rooms 2011	Alderley Edge		Cheshire East	
	Frequency	%	Frequency	%
1 Room	4	0%	320	0%
2 Rooms	30	1%	1,942	1%
3 Rooms	167	8%	10,905	7%
4 Rooms	352	16%	25,464	16%
5 Rooms	371	17%	37,094	23%
6 Rooms	416	19%	31,450	20%
7 Rooms	217	10%	19,791	12%
8 Rooms or more	206	9%	14,844	9%
9 Rooms or more	434	20%	17,631	11%
Total	2,197	100%	159,441	100%

Source: ONS 2011, AECOM Calculations

91. It is also particularly useful to cross-reference this data with Census estimates of the number of bedrooms for each household in Alderley Edge and Cheshire East. Table 5-6 summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The data shows that the distribution of bedrooms in Alderley Edge is fairly similar to that of Cheshire East. The notable exception is the lower proportion of 3 bedroom homes in Alderley Edge compared to Cheshire East (34% against 40%), whilst there is a higher proportion of 5 bedroom properties in Alderley Edge than in the Borough (12% against 6%).

Table 5-6: Number of bedrooms in household spaces, 2011

Bedrooms	Alderley Edge		Cheshire East	
	Number	%	Number	%%
All categories: Number of bedrooms	2197		159,441	
No bedrooms	4	0%	237	0%
1 bedroom	154	7%	11,423	7%
2 bedrooms	583	27%	42,285	27%
3 bedrooms	746	34%	63,855	40%
4 bedrooms	436	20%	31,899	20%
5 or more bedrooms	274	12%	9,742	6%

Source: ONS 2011 (QS411EW), AECOM Calculations

92. Table 5-7 below also compares the number of bedrooms in household spaces with the number of bedrooms in bungalows. This comparison enables us to see the portion of homes that are bungalows according to size in the NA proxy area (as mapped in Figure 5-1). It is clear that 13% of 1 bedroom homes are bungalows, 8% of 2 bedroom homes are bungalows, 11% of 3 bedroom homes and only 4% of homes that consist of 4 or more bedrooms are bungalows. This analysis is useful as any policy on dwelling type should take this into consideration. This will ensure that there is a sufficient supply of bungalows, which meet the specific needs of the growing elderly population while at the same time respecting the local development context, over the neighbourhood plan period.

Table 5-7: Number of bedrooms in household spaces and bungalows, 2011

Bedrooms	Alderley Edge		
	Number	%	
All categories: Number of bedrooms	2408	190	8%
1 bedroom	159	20	13%
2 bedrooms	641	50	8%
3 bedrooms	816	90	11%
4 or more bedrooms	787	30	4%

Source: Valuation Office Agency, Council tax: stock of properties, 2018, Table CTSOP3.0 and Table CTSOP3.1, ONS 2011 (QS411EW), AECOM Calculations

5.2.4 Conclusion- size

93. In summary, homes in Alderley Edge are mostly medium and large size, and this reflects the housing distribution of the Borough. Recent trends suggest that smaller, more affordable homes are becoming more popular in the NA, as there has been a significant increase in the amount of these homes delivered over the inter-Census period. Meanwhile this is in contrast to the steady growth of medium - large properties in the wider Borough. Nevertheless, the above data suggest there is a growing demand for smaller and medium sized properties of 5 rooms and below in the NA.

5.3 Household composition and age structure

94. Having established the current stock profile of Alderley Edge, and identified recent changes in its composition, the evidence assembled in this section shows the composition of households now and how they are likely to change in future years. Through a consideration of the types of households forming, and the mix of age groups, it is possible to arrive at recommendations as to how size of future housing in Alderley Edge should be influenced through planning policy.

5.3.1 Current Household Composition

95. Household composition is a fundamental factor driving the size of housing that will be needed in Alderley Edge in the future. As of 2011, the NA had 2,197 households, representing 1.38% of the Borough's total.
96. In Table 5-8 we set out the current household composition according to the Census in the NA. This suggests there are a relatively high number of one person households in the NA compared with the Borough (38.1% compared with 29.7%), of these a substantial proportion are aged 65 and over. At 18.3%, this too is greater than the Borough at 13.4%. Conversely, the number of 'one family only' households is less, 57.9% for the NA, compared with 65.9% for the Borough. The difference lies in the proportionally smaller number of families with children, which differs between the neighbourhood and the Borough by 3.5% in the case of those with children and 2.9% for those where all the children are non-dependent (i.e. grown up).

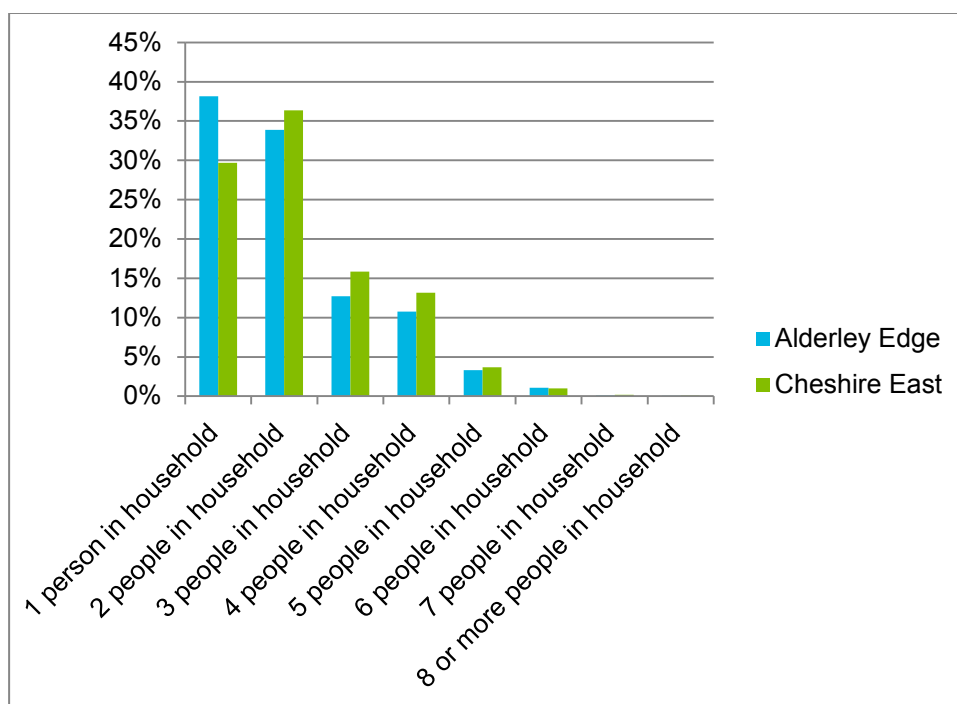
Table 5-8: Household composition (by household) in Alderley Edge, 2011

		Alderley Edge	Cheshire East	England
One person household	Total	38.1%	29.7%	30.2%
	Aged 65 and over	18.3%	13.4%	12.4%
	Other	19.8%	16.3%	17.9%
One family only	Total	57.9%	65.9%	61.8%
	All aged 65 and over	11.2%	10.2%	8.1%
	With no children	16.8%	19.7%	17.6%
	With dependent children	22.9%	26.4%	26.5%
	All children Non-Dependent	6.8%	9.7%	9.6%
Other household types	Total	4.0%	4.4%	8.0%

Source: Census 2011, AECOM Calculations

97. It is evident in Figure 5-2 the most dominant household size in Alderley Edge is that of 1 person households at 38% of the NA total. Meanwhile in the Borough, 2 person households are the most dominant at 36% of the Borough total. Nevertheless, Alderley Edge is fairly similar to Cheshire East in terms of household size distribution and therefore, Borough-wide policies regarding type and size are likely to be relevant in Alderley Edge.

Figure 5-2: Household Size



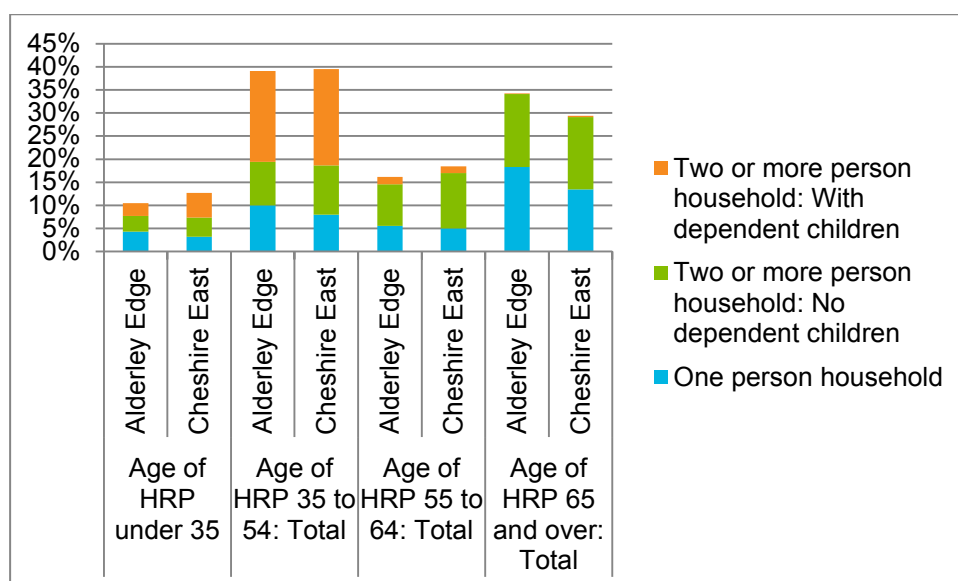
Source: ONS 2011 (QS406EW), AECOM Calculations

5.3.2 Consideration of age

98. The data presented below classifies households in Alderley Edge and Cheshire East according to the age of the Household Reference Person (HRP). Size and type of housing is not only influenced by household composition, but also by the age of the HRP. The following observations can be highlighted from the data presented in Figure 5-3 below:

- The distribution of household types among different life stages in the NA and the Borough are fairly similar. However, it is evident that Alderley Edge has a slightly older population with higher proportions of those aged 65 and over.
- However, the most dominant population group in both Alderley Edge and Cheshire East are those aged 35 to 54, which forms 39% of the population in both the NA and the Borough. People in this category are the most likely to have dependent children. Interestingly, in households headed by those ages 35 to 54, the NA has a higher proportion of households with dependent children than the Borough. This is despite the fact that the Borough has higher proportions of families with dependent children overall.
- Households headed by older people also form a large majority of homes in the NA. 34% of homes in the NA are headed by those aged 65 and over, 5% higher than the Borough proportion.

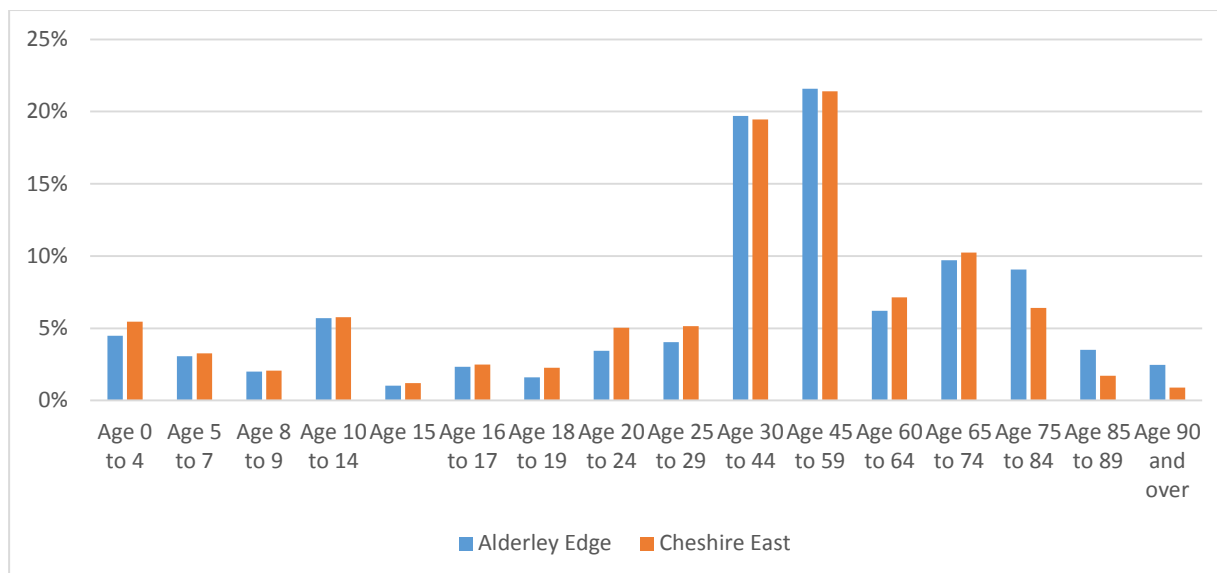
Figure 5-3: Households by age of the HRP



Source: ONS 2011 (QS111EW), AECOM Calculations

99. It is also useful to break down age groups further in both Alderley Edge and the wider Borough. For example, Figure 5-4 shows there is a significant population aged 65+ in both the NA and the Borough. It is important to consider types of homes for this section of the population, to ensure there is a sufficient supply of suitable housing (for example, the bungalows discussed earlier) to meet their specific needs.

Figure 5-4: Age Structure



Source: ONS 2011, AECOM Calculations

5.3.3 Future household composition and age mix

100. We now consider how household composition has shifted over the 2001-11 inter-Census period, before examining how it is expected to evolve towards the end of the Plan period.
101. In Table 5-9 below we note the distribution of households in the NA into the different household types. The most notable difference is the 41.1% increase in one person households that are headed by those aged below 65. There has also been a significant decline in households headed by those aged 65 and over in both one person households (-1%) and by -19.3% for one family only households in the NA. This is in contrast to the increase in one person households headed by those aged 65 and over in the Borough by 1.4% and one family households headed by those aged 65 and over by 6.7%. This may suggest that the demographics of the NA have changed significantly to a much younger age profile.

Table 5-9: Rates of change in household composition in Alderley Edge, 2001-2011

Household type		Percentage change, 2001-2011		
		Alderley Edge	Cheshire East	England
One person household	Total	17.2%	15.7%	8.4%
	Aged 65 and over	-1.0%	1.4%	-7.3%
	Other	41.1%	30.9%	22.7%
One family only	Total	2.3%	4.9%	5.4%
	All aged 65 and over	-19.3%	6.7%	-2.0%
	With no children	3.1%	5.1%	7.1%
	With dependent children	15.6%	2.9%	5.0%
Other household types	All children non-dependent	5.6%	8.2%	10.6%
	Total	14.3%	16.0%	28.9%

Source: Census 2001 and 2011, AECOM Calculations

102. It would be helpful to consider how households in Alderley Edge are projected to change in the future and whether the trends observed in the inter-censal period will continue. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for Cheshire East Borough as a whole.

103. MHCLG publishes bi-annual household projections for all local authorities in England and Wales, broken down by household type, and also provides projections of the average household size and age.

104. Table 5-10 shows that there are significant increases in household projections in Cheshire East for most household types, especially households with one person (19%). The biggest increase expected is that of other household types (20%).

Table 5-10: MHCLG Household projections for Cheshire East by household type

	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other
2014	49,141	48,805	12,223	44,140	8,255
2039	58,573	54,204	12,362	47,838	9,907
% Increase between 2014 and 2039	19%	11%	1%	8%	20%

Source: MHCLG 2014-based household projections

105. The projections for Alderley Edge also consider the increases in each household up to 2039. The biggest increase projected for the Borough is for older households with those ages 65 and over, which may experience an 50% increase between 2014 and 2039.

Table 5-11: MHCLG Household projections for Cheshire East by household age

	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	20,630	60,594	29,716	48,684
2014	19,730	60,630	28,176	54,029
2039	17,374	57,247	27,129	81,134
% Increase between 2011 and 2039	-4%	0%	-5%	11%
% Increase between 2014 and 2039	-12%	-6%	-4%	50%

Source: MHCLG 2014-based household projections, MHCLG 2011-based household projections

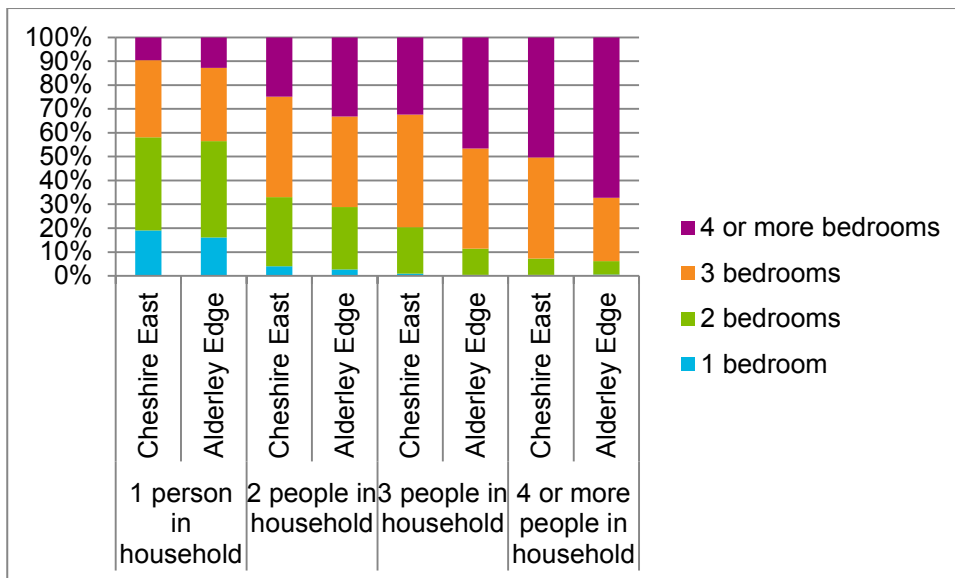
5.4 Current patterns of occupation

106. To estimate the housing mix needed by the end of the Plan period we adopt an approach which assumes that the housing mix needed by households will reflect current occupation patterns. We estimate the housing likely to be required in the future based on the current propensity of households of different ages to occupy different sizes of dwelling. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age.

5.4.1 Size

107. Figure 5-5 shows household size cross-tabulated against the number of bedrooms in their property, in both the NA and the Borough. It is evident that in the NA households of 3 or more people tend to have at least one spare room. 47% of Households of just 2 people in the NA have at least one spare room, compared to 32% in the wider Borough. Among households with fewer members, the number of spare bedrooms increases. 71% of households with just two people in the NA have three or more bedrooms and 84% of single person households have two or more bedrooms. As we showed before, smaller households occupy larger dwellings than their size suggest.

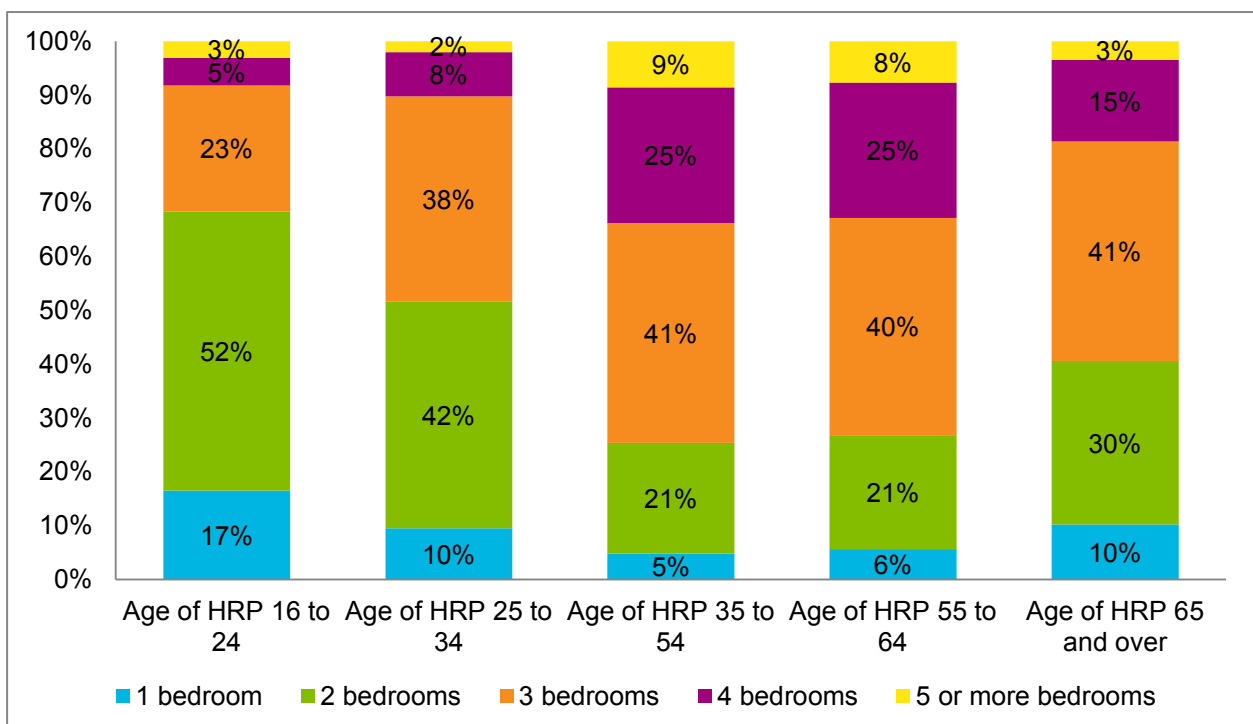
Figure 5-5: Proportion of households by numbers of bedrooms



Source: ONS 2011 (LC4405EW), AECOM Calculations

108. The housing mix is also influenced by the household life stage. However, no data is available at the Parish level providing housing size occupation by age of the HRP. Nonetheless, this data is available at the Borough level and can be used as a proxy for Alderley Edge. That data is presented in Figure 5-6 below and shows the size of property occupied by different age groups.
109. In Cheshire East, younger households where the HRP is aged under 24 or between the ages of 25 to 34 are most likely to live in smaller 1-2 bedroom properties (69% and 52% respectively). For all other age groups, 3 bedroom households form the majority of households. Larger homes of 4 or more bedrooms form almost a third of households where the HRP is aged 35 – 64. In households where the HRP is aged 65 and over, 2 bedroom properties are also popular, forming 30% of all properties in this age group, although there is still a significantly high amount of those in this age group in larger properties of 3 bedrooms or more (59%) which may indicate lack of opportunity and/or reluctance to downsize.

Figure 5-6: Age of household reference person to size in Cheshire East, 2011

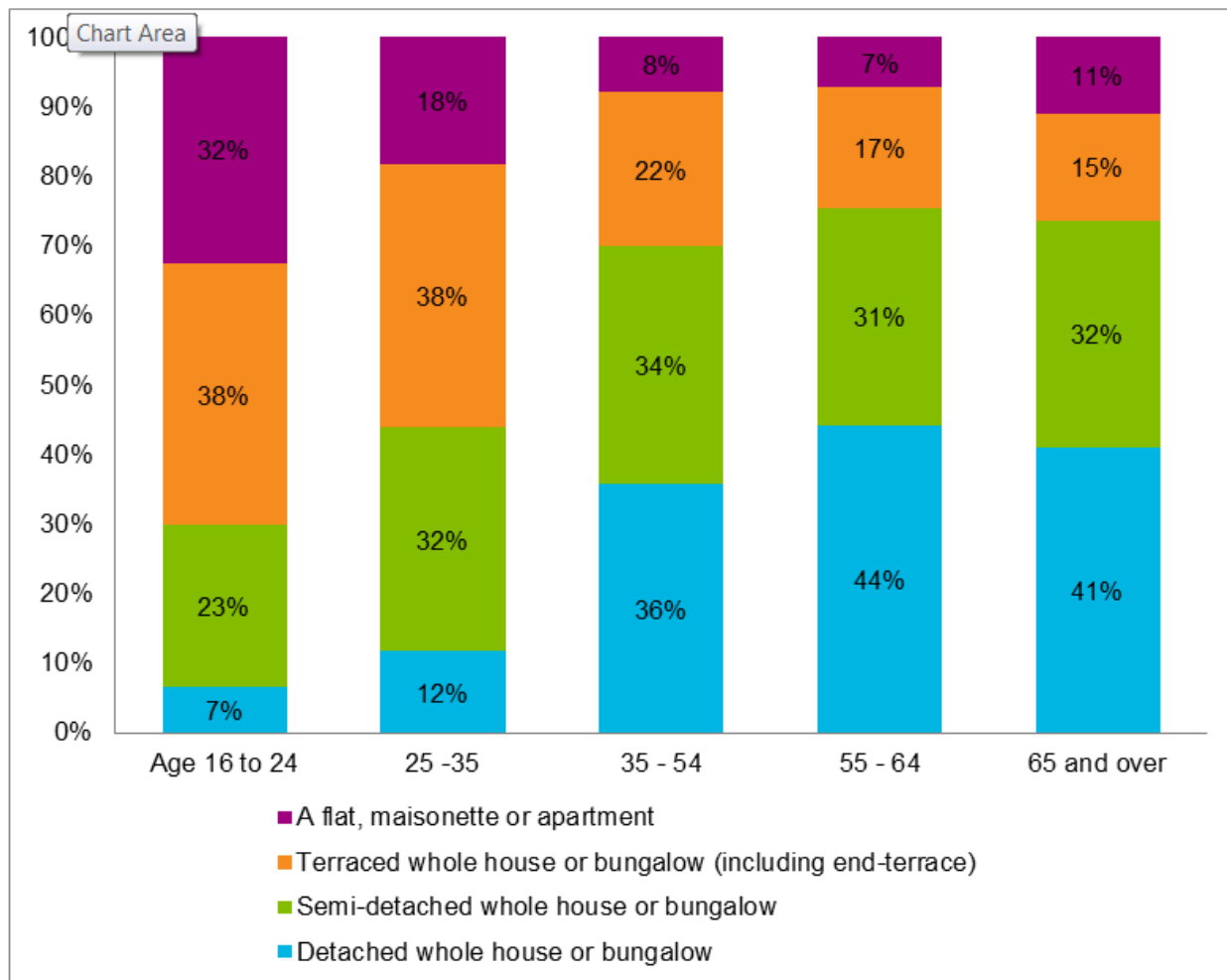


Source: ONS 2011 (CT0621), AECOM Calculations

5.4.2 Type

110. Census data also shows the type of housing occupied by HRPs in different age groups at the Borough level, and this is summarised below in Figure 5-7. Age seems to influence both the type of housing and the size of homes. Younger households under 35, who are more likely to live in flats, terraced or semi-detached homes. Households headed by those aged 35 to 64 are most likely to live in detached homes, whilst this figure reduces slightly for the oldest households headed by those aged 65 and over.

Figure 5-7: Age of household reference person to type in Alderley Edge, 2011



Source: ONS 2011, AECOM Calculations

5.5 Dwelling mix determined by life-stage modelling

111. In this section, we provide an estimate of the mix of sizes of home needed by the end of the Plan period by matching future household composition to current patterns of occupation by age (working from the assumption set out at the start of this section that the same household types are likely to wish to occupy the same size of homes in 2030 as they did in 2011).

112. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the Borough level and for the years 2014 and 2039. Therefore, we had to estimate what the distribution of households, by the age of the HRP, would be in 2030. The data is presented in Table 5-12.

Table 5-12: Projected distribution of households by age of HRP (Cheshire East)

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	3,440	16,852	62,941	29,388	46,820
2014	3,698	16,031	60,629	28,176	54,028
2030	3,718	14,503	58,465	27,506	71,375
2039	3,729	13,644	57,247	27,129	81,133

Source(s): MHCLG 2014-based household projections, ONS 2011(QS111EW) (LC4201EW), AECOM Calculations

113. At this point it is necessary to derive an estimate of the change to the age structure of the population in Alderley Edge. To do so, the percentage of increase expected for each group in Cheshire East, derived from the data presented in
114. Table 5-12, was applied onto the population of Alderley Edge. The results of our calculations are detailed in Table 5-13 below and show the very large expected increase in households where the HRP is 65 and over.

Table 5-13: Projected distribution of households in Alderley Edge by age of HRP

	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	28	202	859	355	753
2014	30	192	827	340	869
2030	30	174	798	332	1148
2039	30	164	781	328	1305

Source: ONS 2011(QS111EW) (LC4201EW) AECOM Calculations

115. In Table 5-14 below, we work from the same dataset as Figure 5-6 (which provides a more detailed data set than is available at the local level) and set out the distribution of dwellings of different sizes according to the age of the HRP.

Table 5-14: Age of household reference person to size, grouped (Cheshire East)

	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
1 bedroom	17%	10%	5%	6%	10%
2 bedrooms	52%	42%	21%	21%	30%
3 bedrooms	23%	38%	41%	40%	41%
4 bedrooms	5%	8%	25%	25%	15%
5+ bedrooms	3%	2%	9%	8%	3%

Source(s): MHCLG 2014-based household projections, ONS 2011 (CT0621), AECOM Calculations

116. Having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Cheshire East and Alderley Edge falling into each of these stages at the end of the Plan period in 2030, it is possible to put forward recommendations regarding how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand.

Table 5-15: Ideal size distribution in Alderley Edge in 2030, according to household life-stages

	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
Pop 2030	30	174	798	332	1148	2482
1 bedroom	5	17	40	20	115	197
2 bedrooms	16	73	168	70	356	682
3 bedrooms	7	66	327	133	471	1004
4 bedrooms	2	14	191	83	172	462
5+ bedrooms	1	3	72	27	34	137

Source: Census 2011, AECOM Calculations

117. It is now possible to compare the housing mix in terms of size in 2011 against the projected requirement based on the ideal size distribution in Alderley Edge set out above. Table 5-16 below indicates that, by 2030, the distribution of dwellings should be weighted more towards the smaller homes, with a particular focus on dwellings of 2 and 3 bedrooms.

Table 5-16: Size distribution in 2011 compared to ideal distribution in 2030 (Alderley Edge)

Number of bedrooms	2011		2030	
1 bedroom	154	7%	197	8%
2 bedrooms	583	27%	682	27%
3 bedrooms	746	34%	1,004	40%
4 bedrooms	436	20%	462	19%
5 or more bedrooms	274	12%	137	6%
Total households	2,197		2,482	

Source: Census 2011, AECOM Calculations

118. Table 5-17 below sets out the misalignment between demand for housing and the current supply,

Table 5-17: Misalignments of supply and future demand for housing

Number of bedrooms	2011	2030	Change to housing mix	Housing split
1 bedroom	154	197	43	10%
2 bedrooms	583	682	99	23%
3 bedrooms	746	1,004	258	61%
4 bedrooms	436	462	26	6%
5 or more bedrooms	274	137	-137	0%

Source: AECOM Calculations

119. In order to avoid misalignment between supply and demand and to re-balance the housing stock over time, we recommend that approximately 10% of houses in new developments be one-bedroom homes, 23% two-bedroom, 61% three-bedroom and 6% four-bedroom. Most of the need will be for one, two and three-bedroom homes and there will be no need to build further large properties with five or more bedrooms. However, it is necessary to acknowledge local demand and preferences revealed in the Alderley Edge Neighbourhood plan Survey Analysis Report. The results from this report are analysed in the following section (5.6 Household preferences for type and size of housing, findings from the Housing Needs Survey).

5.6 Household preferences for type and size of housing, findings from the Housing Needs Survey

120. Demographic data is not a sole indicator for types and sizes of housing needed. As we have seen, the housing mix reflects household demand and preferences, and as such, cannot be inferred purely from looking at age and household composition.

121. Therefore, in this section, we review local insights from the Alderley Edge Neighbourhood plan Survey Analysis Report to identify the types and sizes preferred by the residents of Alderley Edge. The survey had 375 respondents, although some questions were not answered by all respondents and this will be acknowledged throughout the survey review. Whilst the survey aimed to be representative of the entire NA, the relatively low response rate of 15%, means that the following data must be used with caution. Nevertheless, the survey results still provide a unique insight of resident housing preferences.

122. Table 5-18 reveals the housing preferences of residents in regard to property types (both are displayed on the following page for clarity). Residents were asked which types of housing they thought was most needed in the NA. The most popular option was to have smaller, affordable and starter homes in the NA. Interestingly, flats were one of the most unpopular preferences, which may suggest that whilst residents would like smaller and more affordable homes, these should not necessarily be in the form of flats.

Table 5-18: Residents' Property type preference

Answer Options	Need a lot more	Need a few more	About right	Too many already	Response Count
Flats	17	73	149	71	310
Bungalows	45	124	130	26	325
Small / Affordable / Starter homes	137	138	50	12	337
Family housing	63	129	126	17	335
Luxury housing	8	22	101	203	334
Sheltered housing	30	135	118	36	319
Retirement housing / apartments	43	121	138	33	335
Care Home	14	66	200	40	320
Social Housing	28	102	140	46	316
Eco friendly housing	84	109	98	18	309

Source: Alderley Edge Neighbourhood Plan Survey Analysis Report, p.12

5.7 Conclusion- type and size

123. Whilst the life stage modelling has revealed the size of homes that should be delivered within the NA, taking into account new households that will move in and or form over the plan period, we can also overlay this with the desires of the current population from the Alderley Edge Neighbourhood plan Survey which provides a snapshot of what those responding currently feel is needed. It is clear from this survey report that smaller and more affordable homes are in highest demand. This is in line with current trends which show a growing demand for homes of 1 and 3 rooms (1-2 bedrooms) (see Table 5-4). To reflect the demand shown in the Alderley Edge Neighbourhood plan Survey Analysis Report, the final recommended housing split should be as follows:

Table 5-19: Dwelling sizes and types required

	Life Stage Modelling Split	Final Adjusted split	% of split recommended to be bungalows
1 bedroom	10%	15%	15%
2 bedrooms	23%	20%	10%
3 bedrooms	61%	60%	10%
4+ bedrooms	6%	5%	5%

Source: AECOM Calculations

124. With regard to the type of housing, it must be noted that type of housing is mostly influenced by preferences and income than by objective need. Nevertheless, the findings of the Alderley Edge Neighbourhood plan Survey Analysis Report broadly support the objective need for other smaller homes in addition to flats and bungalows. From the data presented in the Survey Analysis Report it is not possible to indicate the dwelling types required by respondents, although it is evident from the research that smaller homes of 1-3 rooms are needed.
125. Noting the age profile of the NA, a greater emphasis must be placed on providing smaller homes such as bungalows that meet the needs of the growing older population. This is why Table 5-19 shows the indicative percentage of homes of each dwelling size that should be bungalows. It must be noted that this is based on the data in Table 5-7, sourced from the Valuation Office Agency ONS 2011 census data. It has also not been tested for its potential to impact on development viability, as that is outside the scope of this housing needs assessment. As such, these recommendations should be treated as broad guidelines only.
126. Furthermore, it can be argued that whilst the final adjust split column shows a significantly low need for homes of 4+ bedrooms, there is less of a need to include dwellings containing four bedrooms and above in the future housing mix than Table 5-19 suggests. Indeed, if there is more availability of suitable smaller properties locally for downsizing

households, this will free up larger dwellings, thereby meeting the demand for that type, without needing to build as many large properties as the household preferences proportions would suggest. Downsizing households will also justify the increase of smaller properties that are in high demand as shown in the neighbourhood plan Survey Analysis Report.

6. Conclusions

6.1 Overview

Table 6-1 : Summary of local factors specific to Alderley Edge with a potential impact on neighbourhood plan housing characteristics

Factor	Source(s) (see Chapter 3)	Evidence	Conclusion								
Tenure and Affordability	Alderley Edge Neighbourhood plan Survey Analysis Report, AECOM Calculations, Cheshire East SHMA Update 2013, Census 2001/2011, Land Registry PPD, RSH, https://www.rightmove.co.uk , https://www.home.co.uk	<p>Bringing the evidence together it is clear that there has been a significant reduction in the proportion of home ownership in the NA. This decline has been mirrored with an increase in private rental homes. Meanwhile, there has been little change in the amount of shared ownership or social rental homes in both the NA and the wider Borough. Nevertheless, despite the decline in home ownership, this tenure type continues to for the majority of all households in the NA. Meanwhile, the minor decrease in social rented accommodation in the NA represents a decline in demand for this tenure type as noted in the Alderley Edge Housing Needs Advice Report 2017.</p> <p>From the data presented in Figure 4 3 and Table 4 7 is it clear that those households within the lower quartile of household income can only afford social and affordable rent homes without diverting resources from other forms of expenditure.</p> <p>Market, Affordable and social rent in addition to Shared Ownership homes (50% and 25%) offer a route to home ownership for those households with a median income.</p> <p>Market affordable Housing Tenures should offer access to housing for those households in receipt of income above around £14,007.</p>	<p>Evidence from the Alderley Edge Neighbourhood plan Survey Analysis Report suggests that the demand for social housing is fairly low and therefore it may indeed make sense to focus on other affordable housing tenures. A greater focus on delivering homes which are for affordable rent is necessary as this is also genuinely affordable to those who earn at the Borough lower quartile income level and the demand for this housing tenure is evidently high from the Alderley Edge Neighbourhood plan Survey Analysis Report.</p> <p>We recommend that Affordable Housing for sale (Starter Homes, Discounted market sales housing, and other affordable routes to home ownership such as Shared Ownership) and Affordable housing for rent should be provided in the NA.</p> <p>The affordable housing tenure split should be as follows:</p> <table border="0"> <tr> <td>Affordable/Social Rent</td> <td>65%</td> </tr> <tr> <td>Shared Ownership</td> <td>15%</td> </tr> <tr> <td>Starter Homes</td> <td>10%</td> </tr> <tr> <td>Entry Level Market Rent</td> <td>10%</td> </tr> </table>	Affordable/Social Rent	65%	Shared Ownership	15%	Starter Homes	10%	Entry Level Market Rent	10%
Affordable/Social Rent	65%										
Shared Ownership	15%										
Starter Homes	10%										
Entry Level Market Rent	10%										

Factor	Source(s) (see Chapter 3)	Evidence	Conclusion								
Type and Size	<p>AECOM Calculations, Alderley Edge Neighbourhood plan Survey Analysis Report, ONS 2011 (MHCLG 2014-based household projections, MHCLG 2011-based household projections)</p>	<p>Homes in Alderley Edge are mostly medium and large size (90.9%), and this reflects the housing distribution of the Borough (91.7%). There is a growing demand for smaller and medium sized properties of 5 rooms/3 bedrooms and below in the NA.</p> <p>There are a relatively high number of one person households in the NA compared with the Borough (38.1% compared with 29.7%), of these a substantial proportion are aged 65 and over. At 18.3%, this too is greater than the Borough at 13.4%. Conversely, the number of 'one family only' households is less, 57.9% for the NA, compared with 65.9% for the Borough. The difference lies in the proportionally smaller number of families with children, which differs between the neighbourhood and the Borough by 3.5% in the case of those with children and 2.9% for those where all the children are non-dependent.</p> <p>However, the most dominant population group in both Alderley Edge and Cheshire East are those aged 35 to 54, which forms 39% of the population in both the NA and the Borough. People in this category are the most likely to have dependent children. Households headed by older people also form a large majority of homes in the NA. 34% of homes in the NA are headed by those aged 65 and over, 5% higher than the Borough proportion.</p>	<p>It is clear from both the life stage modelling and the Alderley Edge Neighbourhood plan Survey Analysis Report that smaller and more affordable homes are in highest demand. This is in line with current trends which show a growing demand for homes of 1 and 3 rooms (1-2 bedrooms) (see Table 5-4). To reflect the demand shown in the Alderley Edge Neighbourhood plan Survey Analysis Report, the final recommended housing split should be as follows:</p> <table border="0" data-bbox="1038 768 1382 965"> <tr> <td>1 bedroom</td> <td>15%</td> </tr> <tr> <td>2 bedrooms</td> <td>20%</td> </tr> <tr> <td>3 bedrooms</td> <td>60%</td> </tr> <tr> <td>4+ bedrooms</td> <td>5%</td> </tr> </table> <p>This split applies across all housing tenures- both market and affordable- but it should be noted that this is a guide only and that the precise split of house sizes for affordable tenures will depend on evidenced need (for example, the Council waiting list) at the time of affordable housing provision negotiation on individual developments.</p>	1 bedroom	15%	2 bedrooms	20%	3 bedrooms	60%	4+ bedrooms	5%
1 bedroom	15%										
2 bedrooms	20%										
3 bedrooms	60%										
4+ bedrooms	5%										

6.2 Recommendations for next steps

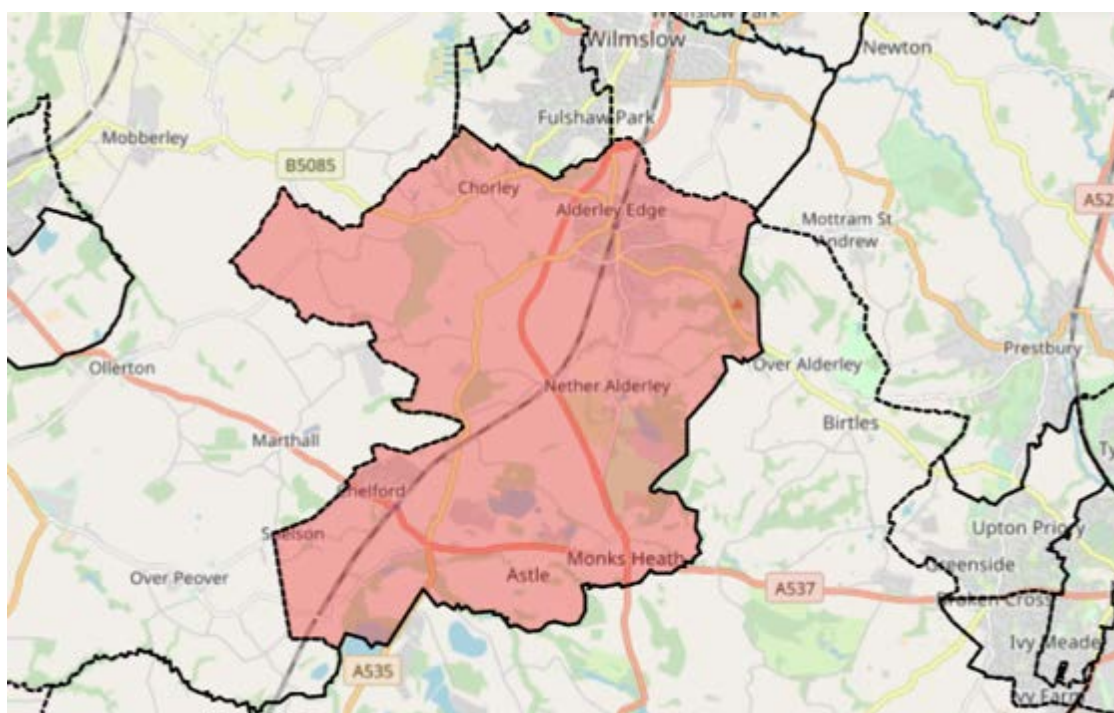
127. This neighbourhood plan housing needs advice has aimed to provide Alderley Edge parish with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Cheshire East with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that it 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 in the adopted Local Plan;
 - the views of Cheshire East Borough Council– in particular in relation to the housing need figure that should be adopted;
 - 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 Cheshire East, including but not limited to the SHLAA;
 - the recommendations and findings of this study; and
 - The impact of the new Government proposed standard methodology on calculating housing need on the Borough and its neighbourhoods.
128. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
129. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by Cheshire East or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
130. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1) would help ensure relevance and credibility of its policies.

Appendix A : Affordability of tenure options

A.1 Income

131. Incomes are considered first, as they have an important relationship with the ability of households to exercise choice in the housing market and the level of need for affordable housing products. Different sources were used to estimate the income levels in Alderley Edge.
132. As household income data at the Parish level is not available, we have used estimates of average household incomes for 2015/16, published by the ONS at the Middle-layer Super Output Area. One must be aware that the selected area used to obtain estimates of household average income is larger than the NA. However, we believe this data is a robust proxy, giving a more accurate picture than given by estimates of incomes at the LA level. The geography used to retrieve the data is shown in Figure 6-1 below. The net annual household income before housing costs (equalised) in 2015/2016 was **£38,100**, while the total annual income¹⁷ was **£51,300**.

Figure 6-1: Map of E02003864: Cheshire East 012



Source: ONS 2011

A.2 Market housing

133. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denotes the maximum share of a family's income that should be spent on accommodation costs, and thirdly 'Purchase Thresholds' (PT), which denotes the standard household income requirement to access mortgage products.

Market sales

134. The PT examines affordability for sale market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below which the cheapest 25% of houses may be bought and is a **measure of 'entry-level' property in the area** (cheaper, more affordable housing)¹⁸. Nonetheless, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (a flat or house with two bedrooms). **Entry-level properties can therefore also be understood as two-bedroom flats/houses.**

¹⁷ 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.

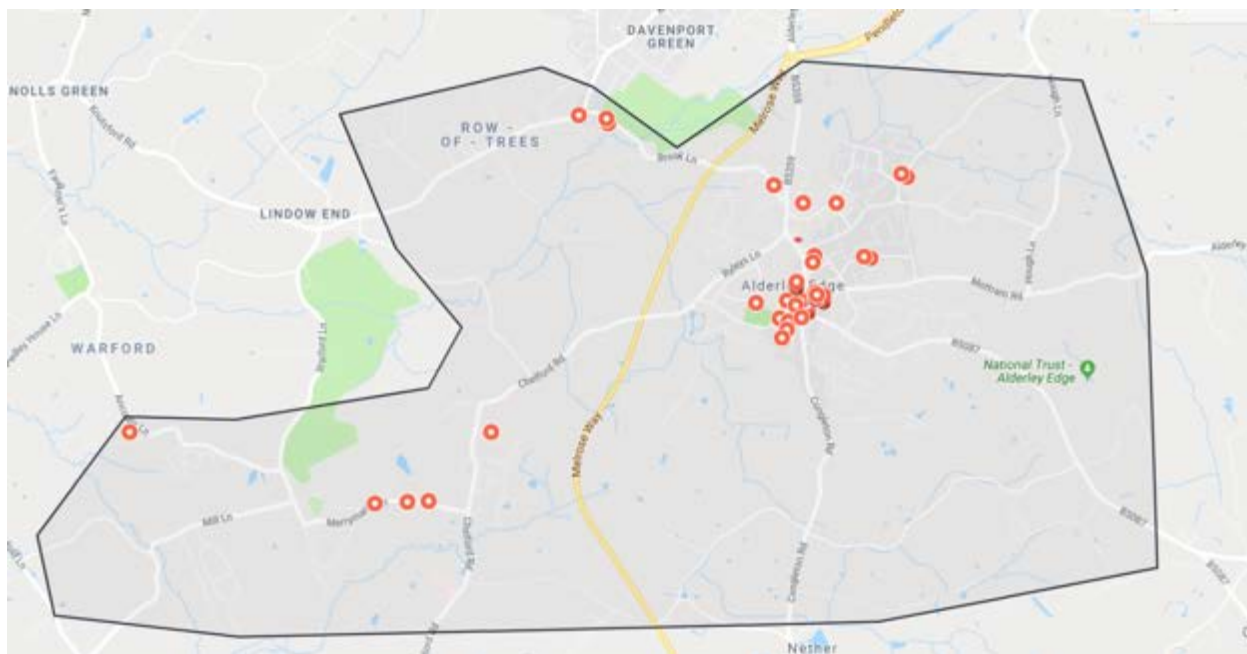
¹⁸ Definition of 'entry-level' taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

135. A search of properties available for sale was made on www.zoopla.co.uk and ten 2 bed homes were on sale (5 houses and 5 flats/apartments), averaging to **£355,900** which we use the average price for entry-level properties in the area. www.zoopla.co.uk also provides an estimate of current house prices in Alderley Edge. According to the website, the average price paid for a property in Alderley Edge stood at **£581,392** in January 2019. This is fall of 0.79% in the last three months (since October 2018) and fall of 2.22% since 12 months ago. In terms of property types, flats in Alderley Edge sold for an average of £243,883 and terraced houses for £271,158. This is according to the current Zoopla estimates.
136. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5¹⁹.
137. The PT for the entry-level property price is $£355,900 \times 10\% = £35,590$; $£355,900 - £35,590 = £320,310$; Dividing this figure by 3.5 produces a threshold of £91,517. A single person would need to be earning **£91,517 annually to afford an entry-level property**.
138. The PT for the mean property price in November 2018 is $£581,392 \times 10\% = £58,139$; $£581,392 - £58,139 = £523,253$; Dividing this figure by 3.5 produces a threshold of £149,500. A single person would need to be earning **£149,500 annually to afford a property around the average price**.

Private rented sector (PRS)

139. The IT examines affordability for rent market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. Moreover, as we saw, an entry-level dwelling can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on www.rightmove.com, presented in Figure 6-2 below. There were 41 properties available to rent in Alderley Edge at the time of writing (November, 2018).
140. Therefore, we have turned to Home.co.uk, which provides market rent summary for the wider Alderley Edge area (beyond the NA boundaries), shown in Figure 6-2 below.

Figure 6-2: Alderley Edge (Rightmove boundaries)



Source: <https://www.rightmove.co.uk>

141. We used the wider Alderley Edge area as a proxy for market rent levels in the NA and presented property rents by size in Table 6-2.

¹⁹ Lending criteria: How much a mortgage provider is prepared to lend you (how many times income). According to the SHMA, "An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income"

Table 6-2: Property Rents in Alderley Edge by Number of Bedrooms

	No. of properties	Average rent
One bedroom	5	£1,500
Two bedrooms	34	£1,360
Three bedrooms	13	£1,830
Four bedrooms	10	£3,495
Five bedrooms	3	£4,919
Average property rents in Alderley Edge		£2,352

Source: <https://www.home.co.uk>

142. Finally, we have examined rents in surrounding areas and the results were compiled in Table 6-3 below. It appears that the rental market in Alderley Edge is significantly more expensive when compared to surrounding areas.

Table 6-3: Property rents in surrounding areas

Average property rents in SK9	£1,765
Average property rents in Alderley Edge	£2,352
Average property rents in Wilmslow	£1,784
Average property rents in Macclesfield	£821
Average property rents in Knutsford	£1,097
Average property rents in Cheshire	£1,027

Source: <https://www.home.co.uk>

143. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise and in line with the SHMA, affordability is defined as spending 25% of income on housing costs.²⁰

144. The average rent for Alderley Edge is £2352 PCM. The annualisation of this figure is £28,224. The income threshold is therefore **£112,896**.

145. The average entry-level rent in Alderley Edge is £1,360 PCM. The annualisation of this figure is £16,320. The income threshold is therefore **£65,280**.

A.3 Affordable housing

146. We identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2019 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

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

148. A good example is, in 2012, the introduction of dwellings for Affordable Rent, rent for this tenure is set at up to 80% of market rent, with intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

149. The overall aim is to reduce the groups who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

²⁰ SHMA 2012 "A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income"

Social Rent

150. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.
151. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing (RSH). This data is only available at the Borough level, but operates as an acceptable proxy for Alderley Edge given the shared demographic and employment characteristics identified in this study between the two geographies. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in presented in Table 6-4 below.

Table 6-4: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	5 beds	6 beds	All Sizes ²¹	Stock
Average Net rent per week	£77.75	£88.82	£97.33	£105.42	£113.60	£118.06	£89.54	
Average social rent rate per week	£77.43	£88.28	£97.92	£105.17	£113.26	£128.92	£89.49	
Annual rent	£4,054	£4,631	£5,075	£5,497	£5,923	£6,156	£4,669	
Income needed	£12,162	£13,893	£15,225	£16,491	£17,769	£18,468	£14,007	

Source: SDR, AECOM Calculations

Affordable Rent

152. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
153. To determine Affordable Rent prices we can also use the SDR from the RSH. The data is presented in Table 6-5 below.

Table 6-5: Affordable Rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	5 beds	All Stock Sizes
Average weekly Gross rent	£86.96	£107.68	£121.44	£129.42	£149.81	£110.00
Annual rent	£4,534	£5,615	£6,332	£6,748	£7,812	£5,736
Income needed	£13,603	£16,844	£18,997	£20,245	£23,435	£17,207

Source: SDR, AECOM Calculations

Intermediate Tenures

154. 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. They can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.
- Starter Homes
155. Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. In paragraph 64 of the NPPF18, 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".
156. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".
157. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

²¹ Weighted average

158. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city; they are eligible for first time buyers aged under 40.
159. The decision whether to treat Discounted Market Sale Homes (DMSH) as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.
160. So as to provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling of **£355,900**.
161. Applying a discount of 20% arrives at the approximate selling price of £284,720. Allowing for a 10% deposit further reduces the value of the property to £256,248. The PT at a multiple of 3.5 is **£73,214**.
- Shared Ownership
162. As we have seen, there are no shared ownership dwellings in Alderley Edge (at the time of the last Census). Nevertheless, it is worth considering its future role.
163. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
164. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Alderley Edge (£355,900). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 33% of the income on rent (as for the IT for PRS).
165. A 25% equity share of £355,900 is £88,975, from which a 10% deposit of £8,878 is netted off. The mortgage value of £80,078 (£88,975 - £8,878) is then divided by 3.5. To secure a mortgage of £80,078, an annual income of £22,879 (£80,078 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £266,925. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £7,340 and requires an income of £22,021. Therefore, an income of around **£44,901** (£22,879 + £22,021) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
166. The same calculation is reiterated for different initial share and the results are presented in Table 6-6 below:

Table 6-6: Affordability calculator for shared ownership

Purchase price:	£355,900	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share	25%	£44,901	£80,078	£22,879	£7,340	£22,021	£8,898
	35%	£51,116	£112,109	£32,031	£6,362	£19,085	£12,457
	40%	£54,224	£128,124	£36,607	£5,872	£17,617	£14,236
	50%	£60,439	£160,155	£45,759	£4,894	£14,681	£17,795
	60%	£66,655	£192,186	£54,910	£3,915	£11,745	£21,354
	75%	£75,978	£240,233	£68,638	£2,447	£7,340	£26,693

Source: AECOM Calculations

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

Assessing affordability involves comparing 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 = $\frac{£200,000}{£25,000} = 8$, (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 methods²².

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 Standard²³

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 Order²⁴

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)²⁵

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

Equity Loans/Shared Equity

²² The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²³ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

²⁴ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁵ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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 Housing²⁶

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to manage day-to-day tasks without assistance. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

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

²⁶ See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

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 years²⁷, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

²⁷ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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.

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 Housing²⁸

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 bed roomed. 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 SMAs 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 SMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

²⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.²⁹

²⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

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