

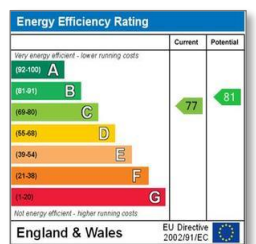


Wiltshire Local Housing Needs Assessment Update

VOLUME TWO

Establishing the need for all types of housing

February 2023





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1. Introducing the Study

Background to the project and wider policy context

Introduction

- ^{1.1} Opinion Research Services (ORS) prepared the Swindon and Wiltshire Local Housing Needs Assessment (LHNA) in 2019 which formed part of the evidence base for the emerging Wiltshire Local Plan. Based on the feedback received following consultation in early 2021, Wiltshire Council committed to undertake further work to review the overall housing need and its distribution between Housing Market Areas (HMAs).
- ^{1.2} Given this context, Wiltshire Council commissioned ORS to review and update the LHNA for the county using the most up-to-date information now available. Whilst the previous study was jointly commissioned by Swindon and Wiltshire Councils together, the Swindon Local Plan is being developed separately with the intention to submit the Plan in the fourth quarter of 2024. The approach to taken to the Wiltshire LHNA remains consistent with that used for the previous study.

Overview of the LHNA

- ^{1.3} Volume I of the LHNA established the Local Housing Need (LHN) for housing in Wiltshire over the 18-year period 2020-38. It also considered how Local Housing Needs relate to the needs of different HMAs which are being used by the Council as a basis for the broad distribution of housing need across the county.
- ^{1.4} This report supplements the key outputs from the LHNA presented in Volume I through providing further information about the needs for different types of housing, including:
 - » Affordable housing need;
 - » People aspiring to homeownership who cannot afford to buy;
 - » The private rented sector;
 - » People wishing to build their own home;
 - » Housing for older people;
 - » Households with specific needs;
 - » Student housing; and
 - » Service personnel.
- ^{1.5} It is important to recognise that the information from the LHNA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The LHNA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

Assessing Housing Needs

- ^{1.6} The NPPF requires local planning authorities to establish housing needs at a local authority level.

- 1.7 This includes preparing a Housing Needs Assessment (LHNA) to establish a minimum Local Housing Need (LHN) figure and identify the size, type and tenure of housing needed for a range of different groups in the community:

61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

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

63. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and

b) the agreed approach contributes to the objective of creating mixed and balanced communities

National Planning Policy Framework, July 2021

- 1.8 As noted above, local authorities are required to follow the Government's standard method for assessing LHN unless exceptional circumstances require an alternative figure to be calculated. This represents the total number of dwellings required in the area. However, the standard method is underwritten by the 2014-based household projections and a significant amount of more up to date demographic information is now available.
- 1.9 While the final outputs of this study are based upon the standard method based LHN, we achieve these outputs through a series of stages.
- 1.10 In Chapter 3, we consider the demographic profile of the population and households. The demographic projections for this LHNA are based on the latest official projections and cover the 18-year period 2020-2038. They are informed by the latest ONS mid-year estimates,^[1] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. In particular, we focus upon the 2018 based 10-year migration trends variant population and household projections.
- 1.11 The data within these projections is then rebased to take account of the mid-year population estimates for 2019 and 2020. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published.
- 1.12 The estimates for affordable housing need in Chapter 4 are therefore based upon adjusted 2018 based population and household projections. The figures contained within this chapter therefore reflect the need for affordable housing based upon much more recent trends than the data underwriting the LHN.

^[1] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

- ^{1.13} However, delivering the number of dwellings required by the standard method will require a different population and household growth than the trend-based population and household growth. This issue is reconciled in Chapter 5, which considers:
- » The need to include the impact of vacant and second homes to uplift the household projection to become the need for dwellings;
 - » The need to include an allowance for additional Use Class C2 bedspaces such as nursing homes to ensure that persons otherwise not included in the population and household projections are included within the overall LHN;
 - » The standard method seeks to address housing market pressures, so the assessment adjusts household formation rates for younger households on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
 - » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.
- ^{1.14} When all relevant factors have been added, the outputs are consistent with the LHN set out in Volume I. Therefore, the figures produced in Chapters 5 and 6 are the overall conclusions for housing need based upon the standard method LHN.

2. Housing Market Indicators

Housing trends and cost of housing in Wiltshire

Introduction

^{2.1} This chapter explores the cost of housing in Wiltshire and the incomes needed to rent or buy at market prices. It highlights the potential income gaps and identifies where and how people may fall into affordable housing need. This includes consideration of social and affordable rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

Housing Tenure Trends

^{2.2} Clear trends are evident in the local data for Wiltshire¹. Figure 1 to Figure 3 show that there has been a steady increase in the overall number of owner occupiers since 1981, with a proportional reduction in owner occupation between 2001 and 2011. Since 2011, the percentage of owner occupiers has remained the same. The proportional and absolute numbers of social renters decreased 1981-2001 (likely in part as a result of the introduction of the Right-to-Buy in 1980), offset by an increase between 2001-21. In comparison, the proportion of private renters has remained relatively constant, though in absolute terms there was an increase between 2001-2021. It is notable that all three tenures increased in number between 2011-21, without any significant change in the relative percentages. It is too early to suggest that this shows that the relative proportions of the three tenures has stabilised; the relative growth in tenures could change significantly with policies introduced by future governments.

Figure 1: Number of Households by Tenure in Wiltshire 1981-2021 (Source: UK Census of Population)

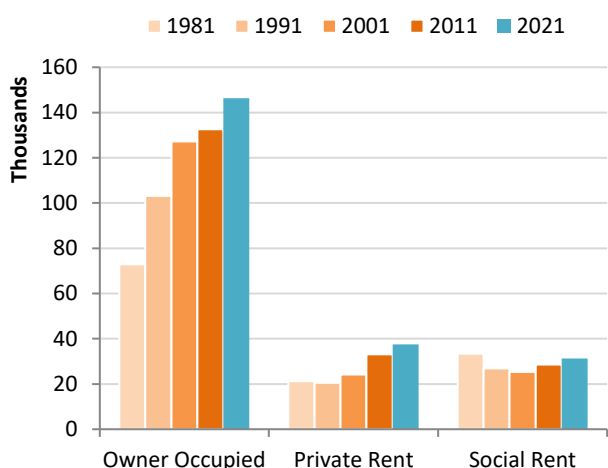
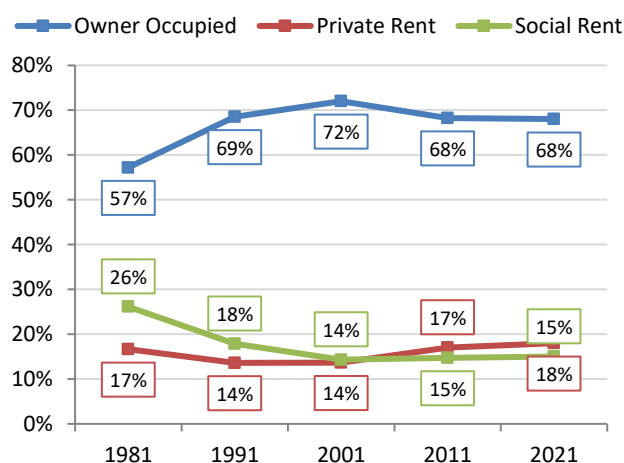


Figure 2: Percentage of Households by Tenure in Wiltshire 1981-2021 (Source: UK Census of Population)



¹ For clarity of presentation in these charts, the three categories owner occupied, private rent, and social rent are broad terms covering several sub-tenures. For example, social rent covers social and Affordable rents

Figure 3: Households by Tenure for Wiltshire 1981-2021 (Source: UK Census of Population)

Tenure	Total Households					Net Change			
	1981	1991	2001	2011	2021	1981-1991	1991-2001	2001-2011	2011-2021
Owner occupied	72,934	103,193	127,205	132,546	146,313	30,259	24,012	5,341	13,767
Private rent	21,226	20,503	24,132	33,057	37,540	-723	3,629	8,925	4,483
Social rent	33,329	26,874	25,318	28,591	31,228	-6,455	-1,556	3,273	2,637
TOTAL	127,489	150,570	176,655	194,194	215,081	23,081	26,085	17,539	20,887
Owner occupied	57.2%	68.5%	72.0%	68.3%	68.0%	11.3%	3.5%	-3.8%	-0.3%
Private rent	16.6%	13.6%	13.7%	17.0%	17.5%	-3.0%	0.0%	3.4%	0.5%
Social rent	26.1%	17.8%	14.3%	14.7%	14.5%	-8.3%	-3.5%	0.4%	-0.2%

Housing Stock by Size

- 2.3 Figure 4 shows the housing stock of Wiltshire by tenure and number of bedrooms. In general, the owner-occupied stock is dominated by 3-bedroom properties.
- 2.4 In general, 2 and 3 bedrooms are the most common private rented property size. The largest number of social rent are 2-bedrooms, with 3-bedroom and 1-bedroom properties also being common.

Figure 4: Dwelling stock by tenure and number of bedrooms by area (Source: UK Census of Population 2011)

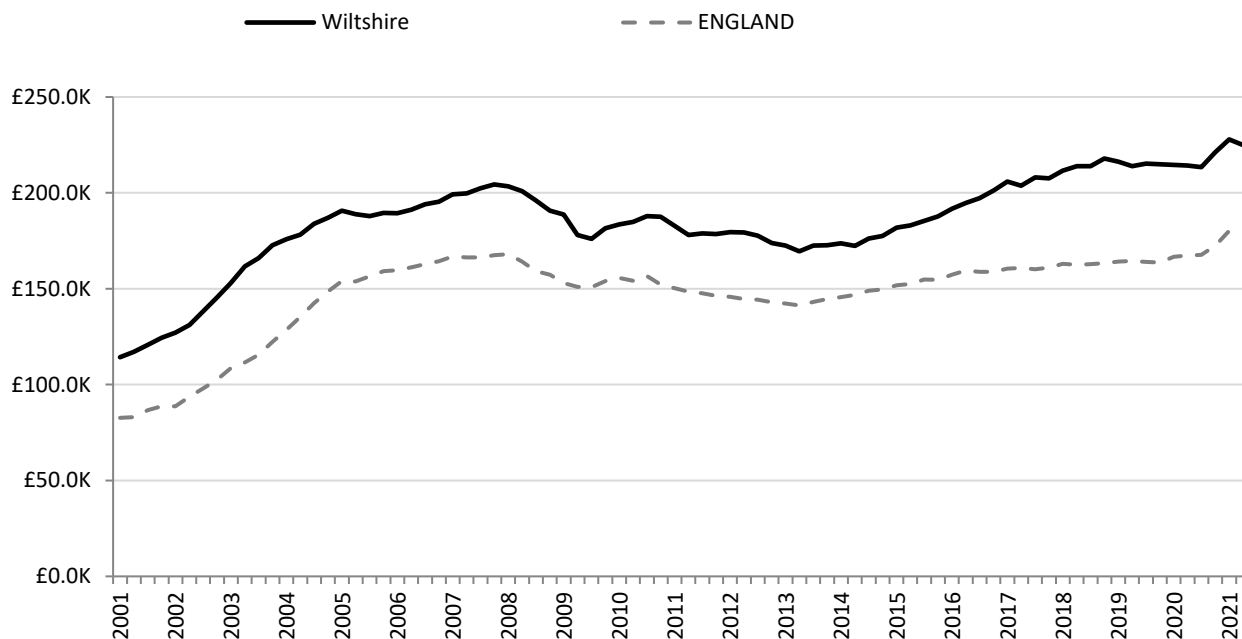
Property Type	Owner Occupied	Private Rent	Social Rent	TOTAL
Wiltshire				
1 bedroom	3,683	4,603	6,225	14,511
2 bedrooms	24,675	11,628	11,602	47,905
3 bedrooms	57,934	12,414	9,615	79,963
4 bedrooms	34,839	3,415	933	39,187
5+bedrooms	11,415	997	216	12,628

Cost of Home Ownership

- 2.5 House price trends (2001-2021) are shown in Figure 5 based on lower quartile house prices. Lower quartile prices are used to consider the entry level price for home ownership. Of course, the value of money has also changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in house prices since 2001.

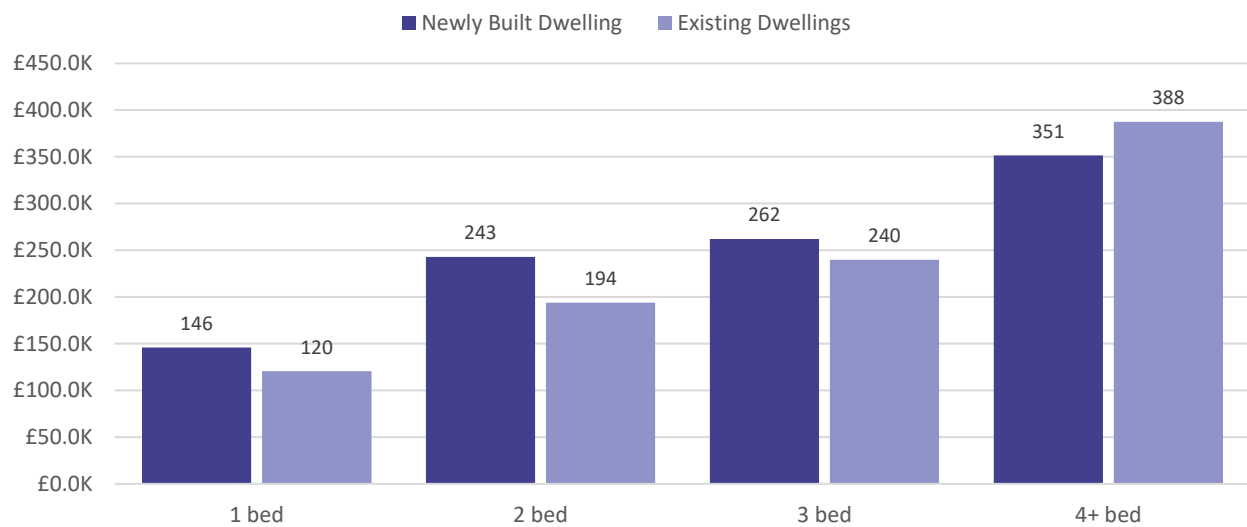
- ^{2.6} It is evident that real house prices in Wiltshire increased substantially in the period 2001-2008 and have been consistently higher than England prices. Values reduced during the economic downturn by mid-2009 and continued to decline over the period to 2014, but have since increased to their highest values since 2001.

Figure 5: Real House Price Trends: Lower Quartile Prices adjusted to 2021 values using CPI (Source: ONS; Bank of England)



- ^{2.7} Figure 6 shows the lower quartile house prices by bedroom size. The data shows both the lower quartile price for existing properties and new build dwellings, with prices taken from the Land Registry records for the sales prices of individual properties. When considering first time buyers in particular, many of the purchasers are likely to be newly forming households seeking one and two bed properties, although some will seek larger properties. As discussed below, schemes such as the new First Homes product which sells new homes at a 30% or more discount compared to market prices to local first-time buyers may make home ownership more accessible for this group.
- ^{2.8} The degree to which new build properties are more expensive than existing homes varies considerably by size of dwelling. This is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character. In general, new build properties are more expensive than existing dwellings, with the exception of larger properties 4+ bedroom properties in Wiltshire.

Figure 6: Lower quartile prices (adjusted to 2021 values using CPI) for existing dwellings and newly built dwellings (2019-21) by property size in Wiltshire (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



Income Needed for Home Ownership

- ^{2.9} The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- ^{2.10} To give an illustrative example (based on Wiltshire prices), taking an existing 1-bedroom property:
- » The lower quartile price recorded was £120,500;
 - » Based on a 90% loan-to-value mortgage, a deposit of £12,050, would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £108,450;
 - » Using a mortgage income multiplier of 3.5x would therefore need an annual income of £30,985.
- ^{2.11} To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £6,025 (equivalent to 5% of the overall price) but the income required would increase to £32,700 per year. Borrowing at a 4.0x income multiplier would reduce the income needed; but households would still need an income of between £27,100 and £28,600 based on a 5-10% deposit. Therefore, to purchase an existing 1-bedroom property at an overall cost of £108,500 is likely to require an annual income of at least £27,100 (assuming a 10% deposit and a 4.0x multiplier); but with less deposit and a lower income multiplier an income of up to £32,700 per year could be needed.
- ^{2.12} Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership.
- ^{2.13} Based on these assumptions, Figure 7 shows the household income levels needed to buy 1 and 2 bedrooms properties in terms of both existing dwellings and newly built dwellings in Wiltshire. When purchasing larger homes, households will typically have larger deposits available which often include equity from the sale of a smaller property. On this basis, it is relatively artificial to consider incomes in isolation.

Figure 7: Annual income required to afford properties based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)

Property Type	Annual Household Income Needed to Own at Lower Quartile Prices
NEWLY BUILT DWELLINGS	
1 bedroom	£37,505
2 bedrooms	£62,447
EXISTING DWELLINGS	
1 bedroom	£30,980
2 bedrooms	£49,826

Cost of Renting

- ^{2.14} Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). The LHA was previously based on the 30th percentile private rent, however more recent increases have based on CPI and rates were frozen in the July 2015 Budget.
- ^{2.15} Whilst BRMAs do not align with local authority boundaries, the three BRMAs below cover Wiltshire. Figure 8 sets out the maximum local housing allowance by size of property in each of these BRMAs:

Figure 8: Maximum Local Housing Allowance thresholds 2021 (Source: Valuation Office Agency)

Weekly Rent £	Broad Rental Market Area		
	Salisbury BRMA	Swindon BRMA	West Wiltshire BRMA
LOCAL HOUSING ALLOWANCE			
Room only	£83.10	£78.59	£78.59
1 bedroom	£132.33	£126.58	£119.67
2 bedrooms	£166.85	£151.89	£149.59
3 bedrooms	£195.52	£182.96	£182.96
4+ bedrooms	£253.13	£230.14	£230.14

- ^{2.16} Figure 9 sets out the weekly rents for different property sizes. This includes:

- » Median and lower quartile private rent;
- » Affordable rent; and
- » Social rent based on existing average rents.

Figure 9: Weekly rent thresholds 2021 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing. Note: Private rent data excludes housing benefit funded tenancies)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
WILTSHIRE				
1 bedroom	£137.99	£126.49	£108.37	£83.53
2 bedrooms	£172.48	£159.84	£129.10	£97.39
3 bedrooms	£212.73	£195.48	£155.16	£109.90
4+ bedrooms	£287.47	£252.98	£188.83	£122.50

^{2.17} It is evident that for all property sizes, the median private rent is the highest followed in turn by the lower quartile private rent, affordable rent and target social rent. Where the LHA rates are higher than the equivalent lower quartile private rents, it is important to note that the private rent figures exclude housing benefit funded tenancies. Therefore, there would appear to be only limited opportunity for an increase in the number of households in receipt of housing benefit given that lower quartile rents are already above or close to the maximum housing benefit in the Salisbury BRMA.

Income Needed to Rent Housing

^{2.18} The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous Department for Communities and Local Government (CLG, now the Department for Levelling Up, Housing and Communities) Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)² stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross household income**”* (page 42)

^{2.19} However, this previous Guidance was rescinded in March 2014 following the publication of the Original NPPF and the launch of the Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that *“care should be taken ... to include **only those households who cannot afford** to access suitable housing in the market”* [ID 2a-020-20190220] (emphasis added).

^{2.20} Results from the English Housing Survey (EHS) 2015-16³ provides information about the percentage of gross household income that households currently spend on their housing costs⁴:

- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and
- » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

^{2.21} The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.

^{2.22} The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately currently spend 41% of their gross income on average, there must be many households currently spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions).

^{2.23} On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to

² <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

³ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

⁴ “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16”

pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

^{2.24} As an illustrative example, we can establish the income needed to rent a 1-bedroom property in Wiltshire based on a 35% income multiplier:

- » The lower quartile weekly rent recorded was £126.49;
- » Based on a 35% income multiplier, a weekly income of £361.40 would be needed which equates to a gross annual income of £18,793.

^{2.25} To rent the same property based on a 25% income multiplier would increase the gross income required to £26,309 per year whereas households with an annual income of £14,616 per year could afford the rent if 45% of their income was allocated to housing costs. Therefore, to rent a self-contained 1-bedroom property in Wiltshire, at a lower quartile rent overall cost of £126.49 per week is likely to require an annual income of at least £18,793 (assuming a 35% multiplier); although it is evident that the required income is very sensitive to the multiplier used.

^{2.26} Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental income needed. Based on this assumption, Figure 10 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent. The annual income for a Lower Quartile 1 bedroom Private Rent is slightly different to the illustrative example above because Figure 10 use more detailed data.

Figure 10: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size (Source: ORS based on Valuation Office Agency data October 2020 to September 2021)

Annual Income £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
WILTSHIRE				
1 bedroom	£20,571	£18,857	£16,156	£12,453
2 bedrooms	£25,714	£23,829	£19,246	£14,519
3 bedrooms	£31,714	£29,143	£23,132	£16,384
4+ bedrooms	£42,857	£37,714	£28,152	£18,263

^{2.27} Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.

^{2.28} Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £17,622 (£339 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 39.7% of their net income, which would leave £10,622 (£204 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently⁵ £77.00 for those aged 25 or over and

⁵ [Shelter Legal England - Housing benefit calculation rates 2022 to 2023 - Shelter England](#)

£61.05 for those aged 16-24; so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income;

- » A couple with two children with a gross income of £20,000 from employment would have no income tax or national insurance contributions (assuming both earned £10,000) and therefore their net income would be the same - £20,000 (£385 per week). Housing costs at 35% of gross and net income would leave £13,000 (£250 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £242.10 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income.

^{2.29} When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take account of different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for different types of household on different incomes, based on the rents for suitable housing in terms of the number of bedrooms needed.

^{2.30} Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 11 sets out the incomes for housing benefit eligibility for different types of households.

Figure 11: Maximum annual income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)

Maximum Annual Income for HB support		Salisbury BRMA	West Wiltshire BRMA	Swindon BRMA
ROOM ONLY	Single person aged 16-24	£9,330	£9,692	£9,330
	Single person aged 25-34	£10,123	£10,485	£10,123
1 BEDROOM PROPERTIES	Single person aged 35+	£13,421	£14,437	£13,975
	Couple (both aged under 18)	£14,172	£15,188	£14,727
	Couple (one or both aged 18 or over)	£15,599	£16,615	£16,154
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£19,313	£20,699	£19,498
	Lone parent (aged 18 or over) with 2 children	£22,804	£24,190	£22,989
	Couple (aged 18 or over) with 1 child	£21,492	£22,877	£21,676
	Couple (aged 18 or over) with 2 children	£24,982	£26,368	£25,167

Income Needed for Other Types of Housing

^{2.31} Another housing option that could be made available in Wiltshire, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2021(Glossary)

^{2.32} Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently

seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.

- ^{2.33} The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- ^{2.34} However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL⁶ shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in Wiltshire, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF) for the affordable units, then the range of rental costs available would be as Figure 12:

Figure 12: Weekly rent thresholds in Wiltshire (Source: Valuation Office Agency 2020-21; SDR 2021, JLL)

Weekly Rent £	Upper Quartile Private Rent	Build to Rent Median + 9.3%	Median Private Rent	Lowest LHA	Highest LHA	Lower Quartile Private Rent	Affordable Build to Rent 20% discount	Affordable Rent	Social Rent
1 bedroom	£149.49	£150.82	£137.99	£119.67	£132.33	£126.49	£120.66	£108.37	£83.53
2 bedrooms	£183.98	£188.53	£172.48	£149.59	£166.85	£159.84	£150.82	£129.10	£97.39
3 bedrooms	£229.98	£232.51	£212.73	£182.96	£195.52	£195.48	£186.01	£155.16	£109.90
4+ bedrooms	£344.97	£314.21	£287.47	£230.14	£253.13	£252.98	£251.37	£188.83	£122.50

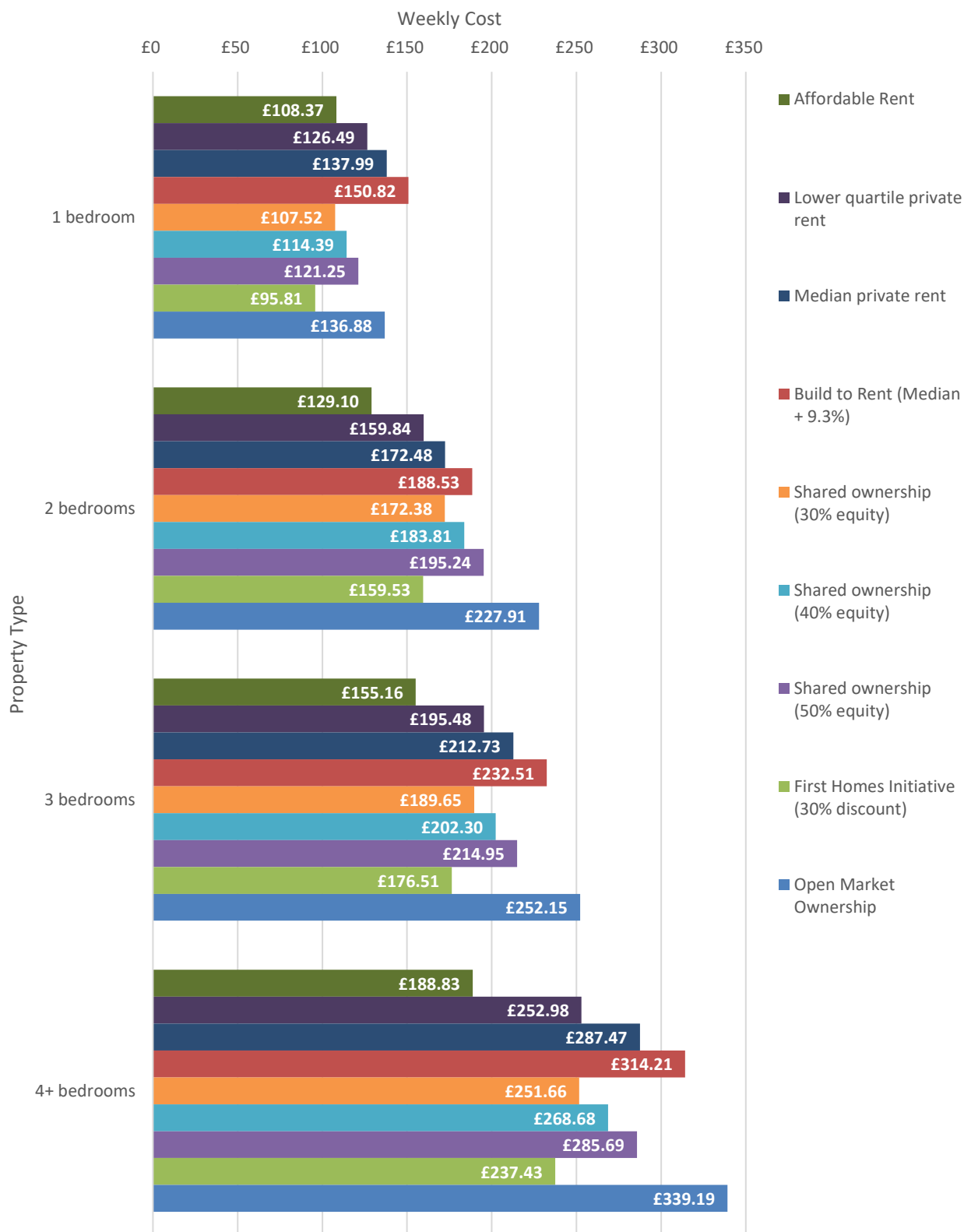
- ^{2.35} In the Swindon and West Wiltshire BRMAs, the lowest local housing allowance would be insufficient to cover the costs of affordable Build to Rent units for all dwelling types, while in Salisbury the LHA would be sufficient for all dwelling type. Therefore, for Build to Rent to be a useful addition to the affordable housing stock across the whole of Wiltshire will require discounts larger than 20% to the costs. Alternatively, affordable Build to Rent could be targeted by BRMA.
- ^{2.36} In terms of pricing, build to rent costs in Wiltshire are broadly similar to upper quartile private rent, but remain more accessible than affordable home ownership options, while affordable build to rent costs are broadly in line with lower quartile private rents.

Summary of Housing Costs

- ^{2.37} This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 13 summarises these costs for each property size.

⁶ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Figure 13: Comparison of weekly housing costs by property size (Source: VOA 2020-2021, Land Registry, ORS model)



^{2.38} Unsurprisingly, for each property size affordable rent is the cheapest and open market ownership the most expensive in terms of weekly costs. Lower quartile market rent is more expensive than a 70% First Homes mortgage in every property size.

- ^{2.39} The cost of shared ownership predictably varies depending on the equity size purchased, however the fact that it is more expensive on a weekly basis than First Homes for all three equity levels illustrated is evidence of the significance of the rent payable on the equity retained (along with service charges) on weekly costs. Nonetheless, 40% shared ownership is comparable to or cheaper than median rents in the properties with 2 or more bedrooms, and meaningfully cheaper on a 1-bedroom property. It is also much more flexible than First Homes and therefore may meet the needs of different households.
- ^{2.40} The cost of occupying a Build-to-Rent property is more expensive than all forms of affordable home ownership shown. This underscores that occupants of Build-to-Rent typically have sufficient income to access home ownership options; yet choose not to.
- ^{2.41} Overall, compared to rental options, the range of affordable home ownership products shown appear to be relatively accessible, however it should be noted that the chart takes no account of the initial cost of a deposit on a property, which is a barrier to many households that seek to get onto the housing ladder. Furthermore, despite the weekly costs being cheaper, the underlying income necessary to obtain a mortgage on a First Home will be meaningfully higher than the underlying income required to rent a property due to the constraint of mortgage income multipliers discussed previously.

3. Demographic Projections

The baseline for establishing housing need

Introduction

- 3.1 This chapter uses the available population projections for Wiltshire to explain the predicted growth of households during the plan period.

Official Household Projections

- 3.2 Planning Practice Guidance revised in February 2019 identifies that the 2014-based Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

PPG ID 2a-005-20190220

- 3.3 The first step in analysing housing needs must therefore be to identify the household projection for Wiltshire which is used as the basis for this report. Figure 14 sets out a range of the various household projections from both CLG and ONS methodologies, it includes the associated outputs using the sensitivity analysis approach. The 2016 and 2018 based household projections are shown for information only with potential implications for future revisions to the Planning Practice Guidance.

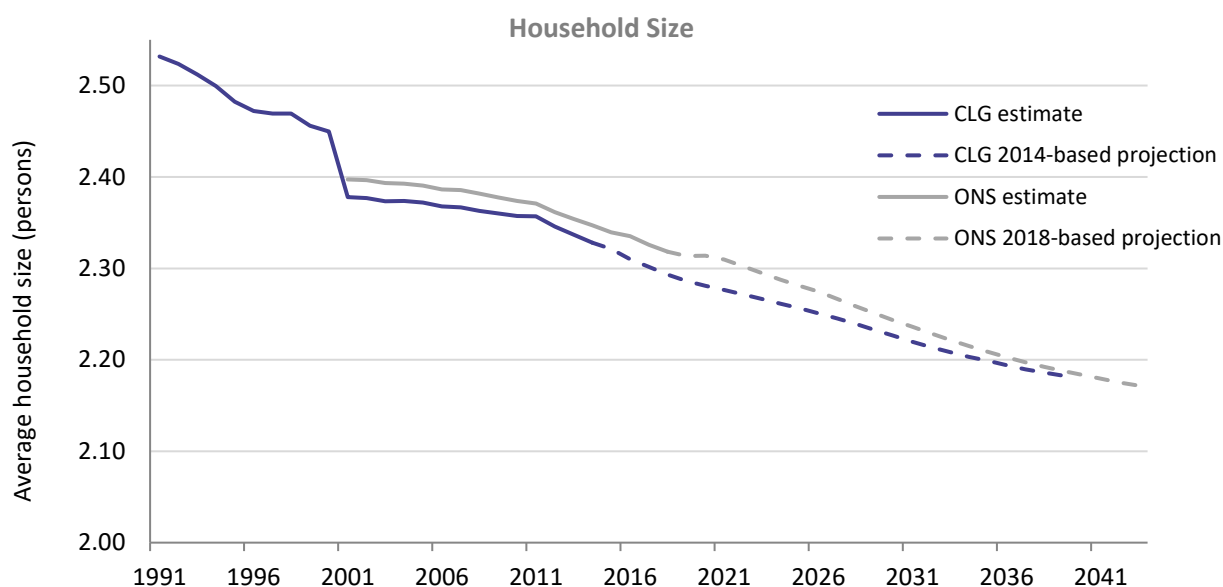
Figure 14: Household projections 2020-30 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

Projection		Migration Period	Fertility/ Mortality	Household Formation	Change in Households 2020-2030	
					10-yr change	Annual average
CLG 2014-based		5-yr trend 2009-14	2014-based SNPP rates	CLG method	+14,840	+1,484
ONS 2016-based	Sensitivity analysis 2	5-yr trend 2011-16	2016-based SNPP rates		+15,128	+1,513
	Principal scenario			+15,476	+1,548	
ONS 2018-based	Principal scenario	2-year trend 2016-18	2018-based SNPP rates	ONS method	+15,815	+1,581
	Alt. internal migration variant	5-year trend 2013-18			+15,098	+1,510
	10-yr migration variant	10-yr trend 2008-18			+13,803	+1,380

Projected Household Size

- 3.4 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 15) divides the population in the area by the associated household projection.

Figure 15: Average household size estimates and projections for Wiltshire for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)



- 3.5 As the chart shows, average household sizes have steadily declined and are projected to continue falling in future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children).

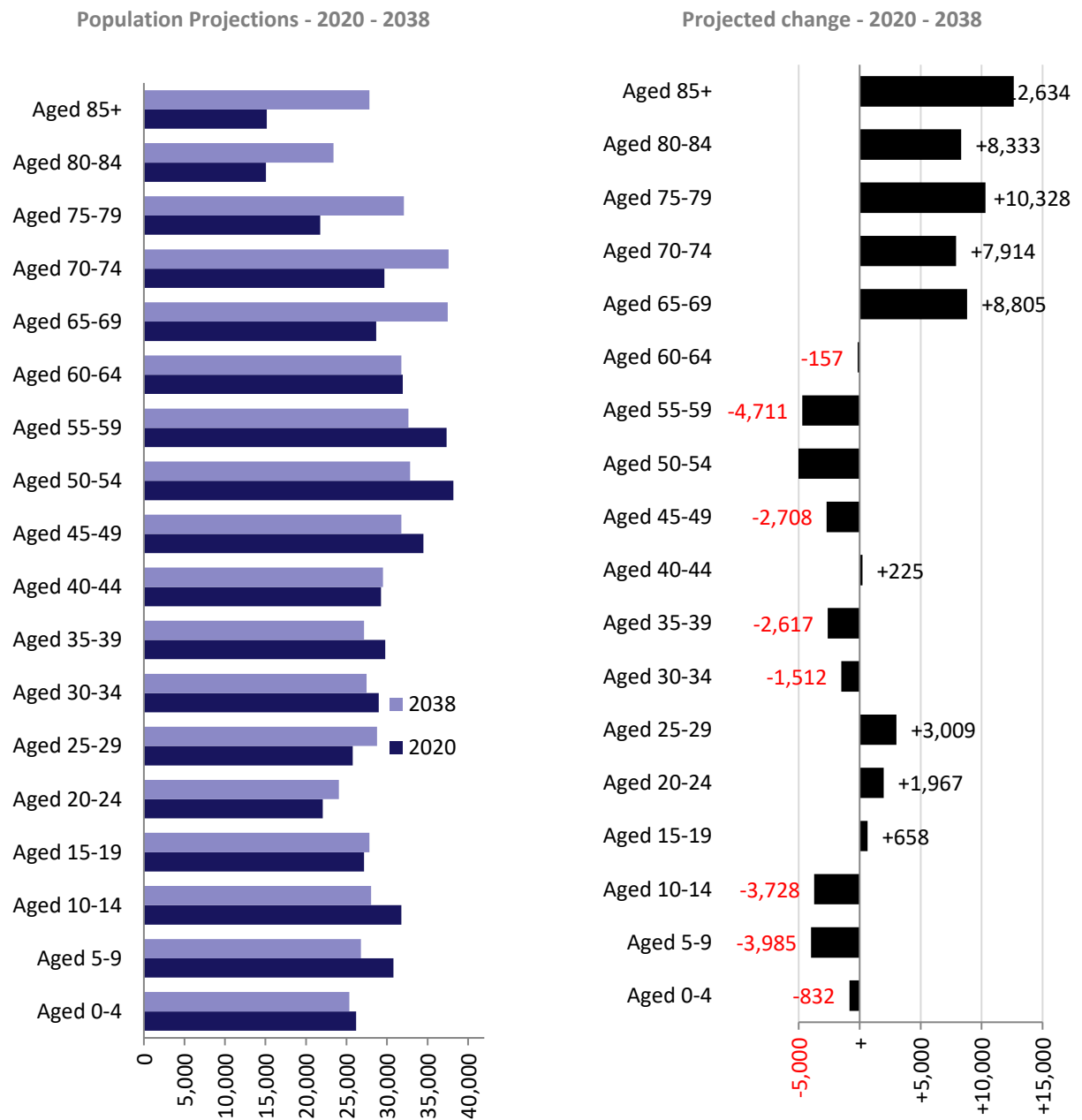
Population and Household Projections for Affordable Housing Need

- 3.6 Although the overall LHN figure of 35,658 used in this study is informed by the trend-based household projections, the final figure was also checked against the need to provide sufficient homes to accommodate the workforce of Wiltshire, as discussed in Volume I, and no adjustment is required unless the Council aspires to increasing the number of jobs and workers above the increase in the resident workers based on the LHN. It is also the case that the needs of those who require Class C2 bedspaces must be included in the overall figure and there must also be an allowance for vacant homes.
- 3.7 In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified.
- 3.8 The demographic projections for this LHNA are based on the latest official projections and cover the 18-year period 2020-2038. This yields a household growth over the period 2020-2038 of 23,044 households (1,280 per annum) which is then reconciled with the LHN dwelling figure of 1,981 dwellings per annum in Volume I when the need to include Class C2 bedspaces and vacant homes is addressed. Until Chapter 8, all the data in this report refers to households, not dwellings, so the figures are based upon a household growth of 1,280 per annum.

Projected Population Age Profile

- 3.9 Based upon a projected household growth of 23,044, the overall population is projected to grow by 28,266 from 504,070 people to 532,336 people.
- 3.10 The vast majority of growth is associated with the older population, with over 65s projected to increase by 48,015. This is a particularly important consideration when establishing the types of housing required and the need for housing specifically for older people.

Figure 16: Population projections 2020-38 by 5-year age cohort for Wiltshire (Source: 2020 MYE adjusted ONS sub-national projections 2018)



Household Projections by Age

- 3.11 An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP). Please note that throughout this section figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 17: Total projected households in Wiltshire for 2020 and 2038 (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2020	4,100	21,700	31,500	43,500	41,100	33,600	26,200	11,100	212,800
2038	4,500	22,200	30,400	38,400	37,500	42,700	39,700	20,500	235,900
CHANGE	+400	+400	-1,100	-5,100	-3,600	+9,200	+13,500	+9,400	+23,000

- 3.12 The table shows an overall increase of 23,000 households over the 18-year period 2020-2038. There is projected to be a drop in households aged 35-64 years, but a very significant increase in older households. Many of these older households will already be established and living in existing homes, they simply get older during the 18-year period.
- 3.13 It is important to consider household growth in relation to age cohorts. Figure 18 shows the projected number of households in each cohort, showing their age in both 2020 and 2038. Clearly, no household representatives are aged under 9 (in 2020), but children aged under 9 in 2020, will be aged 15-24 in 2038, and thus will be potentially heads of a household.

Figure 18: Total projected households for 2020 and 2038 by age cohort of household representative (Note: Figures may not sum due to rounding)

Age in 2020	Age of Household Representative								TOTAL
	<9	9-18	19-28	29-38	39-48	49-58	59-68	69+	
Age in 2038	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2020	-	800	7,700	23,700	33,900	43,000	39,600	64,200	212,800
2038	4,500	22,200	30,400	38,400	37,500	42,700	39,700	20,500	235,900
CHANGE	+4,500	+22,200	+22,700	+14,700	+3,600	-300	+200	-43,700	+23,000

- 3.14 For example, there will be 23,700 households aged 29-38 in 2020 and these same households would be aged 45-54 in 2038. The trend-based projection identified that the total number of households aged 45-54 in 2038 would be 38,400. The projection shows, an extra 14,700 households: partly due to new household formations and partly due to net migration.
- 3.15 Based on the cohort analysis, around 67,600 extra households will be formed over the 18-year period 2020-38 by those who will be aged under 85 in 2038. These extra households are offset against a reduction of 43,700 households aged 85 or over. Most of this reduction is due to household dissolution following death (although some may be due to net migration).
- 3.16 Whilst the overall volume increase in households is largely due to a growing older population most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

3.17 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples, and families) within each age group will also have different housing requirements.

3.18 Figure 19 shows the household numbers and net change for Wiltshire from 2020 to 2038 separated out by the age of the household representative person (HRP). This is calculated using the trend-based projections by household type and age.

Figure 19: Total projected households for 2020 and 2038 and change by household type and age of household representative
(Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2020									
Single person	1,180	5,190	4,500	6,680	8,780	9,280	14,800	6,410	56,800
Couple without children	490	5,010	4,010	15,290	26,600	21,800	7,870	3,320	84,400
Families with child(ren)	2,280	10,660	22,310	19,790	3,990	380	130	60	59,600
Other households	190	860	650	1,780	1,700	2,120	3,420	1,280	12,000
TOTAL	4,100	21,700	31,500	43,500	41,100	33,600	26,200	11,100	212,800
Households 2038									
Single person	820	5,140	3,600	4,850	7,300	9,790	19,130	9,340	60,000
Couple without children	180	4,080	2,460	9,510	23,470	29,120	12,950	7,650	89,400
Families with child(ren)	3,460	12,100	23,910	22,880	5,450	680	340	190	69,000
Other households	50	830	420	1,140	1,260	3,160	7,320	3,280	17,500
TOTAL	4,500	22,200	30,400	38,400	37,500	42,700	39,700	20,500	235,900
Change 2020-2038									
Single person	-350	-50	-910	-1,820	-1,480	+510	+4,330	+2,930	+3,200
Couple without children	-310	-930	-1,550	-5,770	-3,120	+7,320	+5,080	+4,330	+5,000
Families with child(ren)	+1,180	+1,440	+1,600	+3,090	+1,450	+290	+210	+130	+9,400
Other households	-150	-20	-230	-640	-430	+1,040	+3,890	+1,990	+5,500
TOTAL CHANGE	+400	+400	-1,100	-5,100	-3,600	+9,200	+13,500	+9,400	+23,000

3.19 In summary over the 18-year period:

- » Single person households are 14% of the overall household growth: an increase of 3,200, with all of the growth in the over 75 years category;
- » Families with dependent children make up over 40% of the overall household growth: an increase of 9,400 households;
- » Couples aged under 65 without dependent children are projected to fall by almost 12,000 households, but with an increase of over 16,700 households with a household representative aged over 65
- » The increase in “Other” households represents 5,500 households.⁷

⁷ Other Households can be defined as: “multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults”

4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

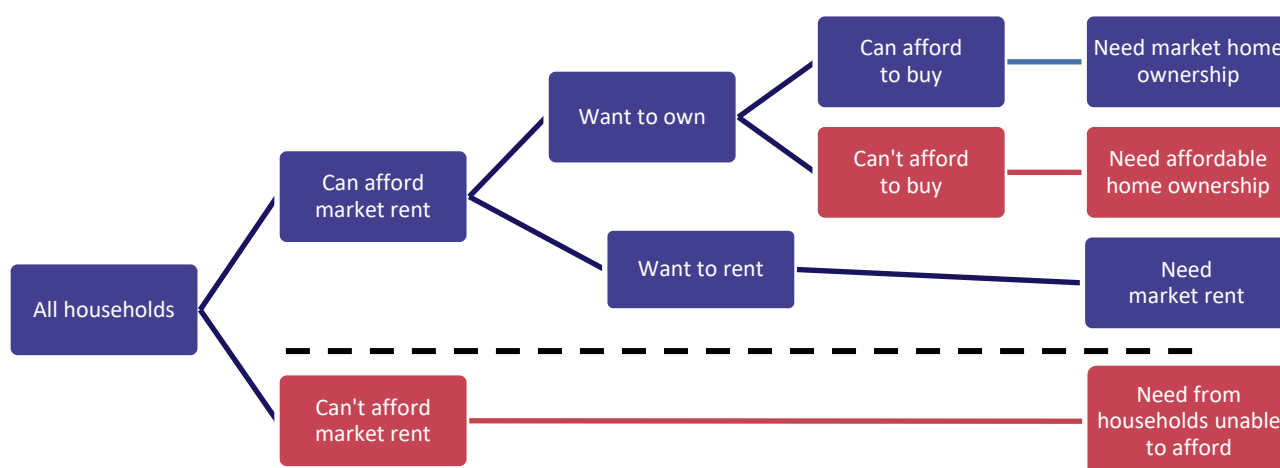
- 4.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.
- 4.2 The definition of affordable housing was changed by the National Planning Policy Framework (2018), with a specific emphasis now placed on affordable homeownership. This definition is retained in the 2021 NPPF. Annex 2 of the Framework now defines affordable housing as being:

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)

National Planning Policy Framework 2021, Annex 2

- 4.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [PPG ID 2a-020-20190220].
- 4.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy.

Figure 20: Establishing the need for market and affordable housing



- 4.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

- 4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 4.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 4.9 The affordability percentages in Figure 21 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 21: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	36%	16%	25%	27%	28%	27%
Couple family with no dependent children	18%	7%	8%	9%	7%	12%
Couple family with 1 or more dependent children	48%	29%	15%	10%	11%	29%
Lone parent family with 1 or more dependent children	72%	73%	53%	39%	40%	68%
Other household type	65%	28%	30%	23%	19%	13%

Current Unmet Needs of Households Unable to Afford

4.10 Any exploration of housing need in an area must first consider existing unmet needs. The PPG states:

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (February 2019), ID 2a-020-20190220

4.11 Households assumed to be unable to afford housing include:

- » All households that are currently **homeless**;
- » All those currently housed in **temporary accommodation**; and
- » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

4.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2018.

4.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Wiltshire.

4.14 **Concealed families** are an important part of unmet housing need. Concealed families are couples with or without children and also lone parents. They do not include any single person households. Not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

4.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family

representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

4.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions. If a property is truly unfit for habitation and can no longer be used it will effectively count as a demolition and the needs of the occupants should be added to the overall housing need.

4.17 Figure 22 sets out the assessment of current affordable housing need for Wiltshire:

Figure 22: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2021]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	3		3	3
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	28		28	
Currently in temporary accommodation in affordable housing (Local Authority or RP stock)	58	58	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	388		388	388
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	687		687	
Households living in overcrowded social rented housing	1,552	1,552	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2020]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	1,347	152	1,195	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	0	0	0	
TOTAL	4,063	1,762	2,301	391

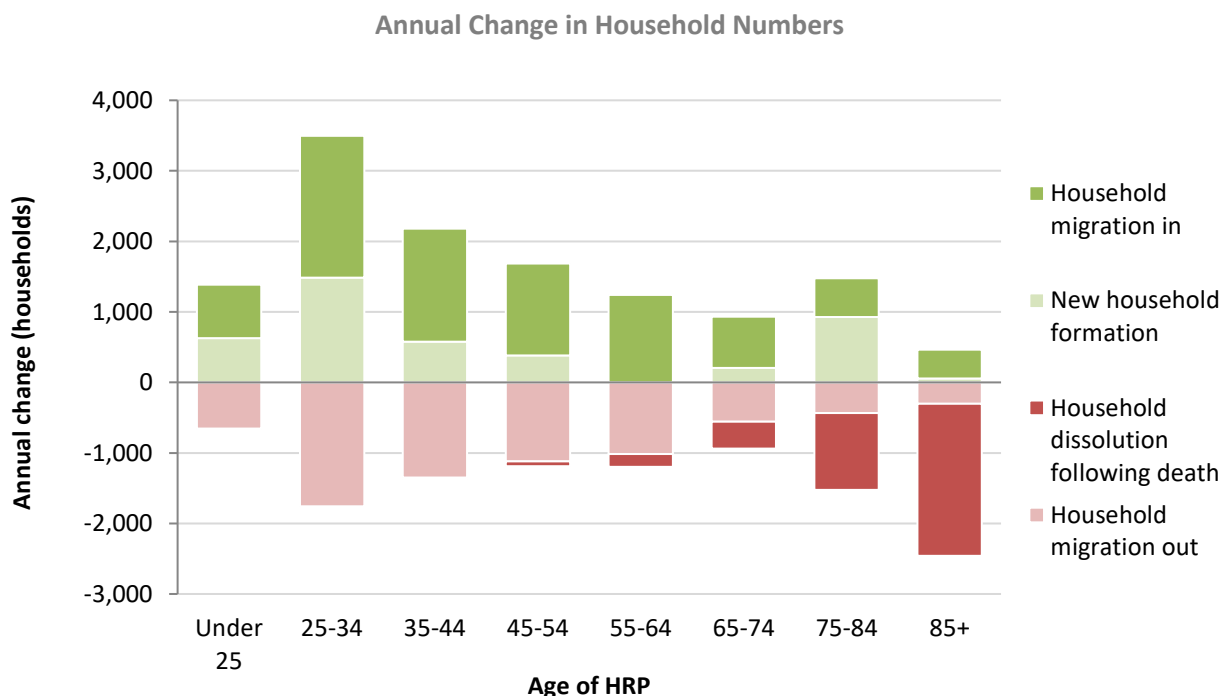
4.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 4,063 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

- 4.19 Of these households, 1,762 currently occupy affordable housing that does not meet the current householders’ needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 4.20 There is, therefore, a net affordable housing need of 2,301 households (4,063 less 1,762 = 2,301). However, depending on property types and size of households in need, a higher number of new homes may be needed to ensure there is no overcrowding.
- 4.21 Providing the net affordable housing need for 2,301 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 1,910 households (2,301 less the 391 households which are homeless or concealed and thus do not release dwellings).

Projected Future Need of Households Unable to Afford

- 4.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “gross annual estimate” (ID 2a-021) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-024).
- 4.23 Figure 23 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 23: Annual change in household numbers in each age cohort by age of HRP in Wiltshire (Source: ORS Housing Model)



- 4.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household.

Figure 24: Annual components of Household Growth 2020-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	4,273	3,200	1,073	25%
Households migrating in to the area	8,803	7,024	1,779	20%
All new households	13,076	10,224	2,852	22%

- 4.25 The ORS Model identifies 4,273 new households projected to form in Wiltshire each year, of which 25% will be unable to afford their housing costs. This amounts to 1,073 households each year.
- 4.26 The model also considers new households migrating to the area. The projection is for 8,803 households per annum of which 20% (1,779 households) will be unable to afford their housing costs.
- 4.27 This results in a total of 2,852 new households in need of affordable housing. (Figure 24)

Figure 25: Annual components of Household Growth 2020-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	4,465	3,725	740	17%
Households migrating <u>out</u> of the area	7,330	5,826	1,504	21%
All households no longer present	11,796	9,552	2,244	19%

- 4.28 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).
- 4.29 The model identifies 4,465 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 740 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.
- 4.30 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 7,330 households will migrate out of the area each year, including 1,504 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 4.31 Altogether, there are 2,244 households who will vacate affordable dwellings or will no longer be waiting for a home. (Figure 25)

Figure 26: Annual components of Household Growth 2020-38 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-528	+528	100%
Existing households climbing out of need	-	+871	-871	0%
Change in existing households	-	+343	-343	-

4.32 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in Wiltshire will not contribute to household growth, changes in household circumstances (such as separating from a partner, the birth of a child, or large increases in the cost of living) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 528 established households will fall into need in Wiltshire each year.

4.33 However, established households’ circumstances can also improve. For example:

- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
- » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

4.34 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 871 households will improve such that they become able to afford their housing costs having previously being unable to afford. Therefore, considering the changing needs of existing households overall, **there is a net decrease of 343 existing households needing affordable housing each year**. (Figure 26). This number reflects the reality of the dynamics of the housing market where at any one time some households will be falling in to need and some households will be resolving their needs.

4.35 The following table (Figure 27) summarises the overall impact of:

- » new households adding to housing need;
- » the households no longer present reducing housing need; and
- » the changes in circumstances impacting existing households.

Figure 27: Annual components of Household Growth 2020-38 (Source: ORS Housing Model)

	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	13,076	10,224	2,852
All households no longer present	11,796	9,552	2,244
Change in existing households	-	343	-343
Future affordable housing need 2020-38	Annual average	+1,280	+1,016
	18-year Total	+23,044	+18,283
			+4,761

4.36 Overall reviewing the contribution of each element amounts to an additional 4,761 households needing affordable housing over the 18-year period 2020-38.

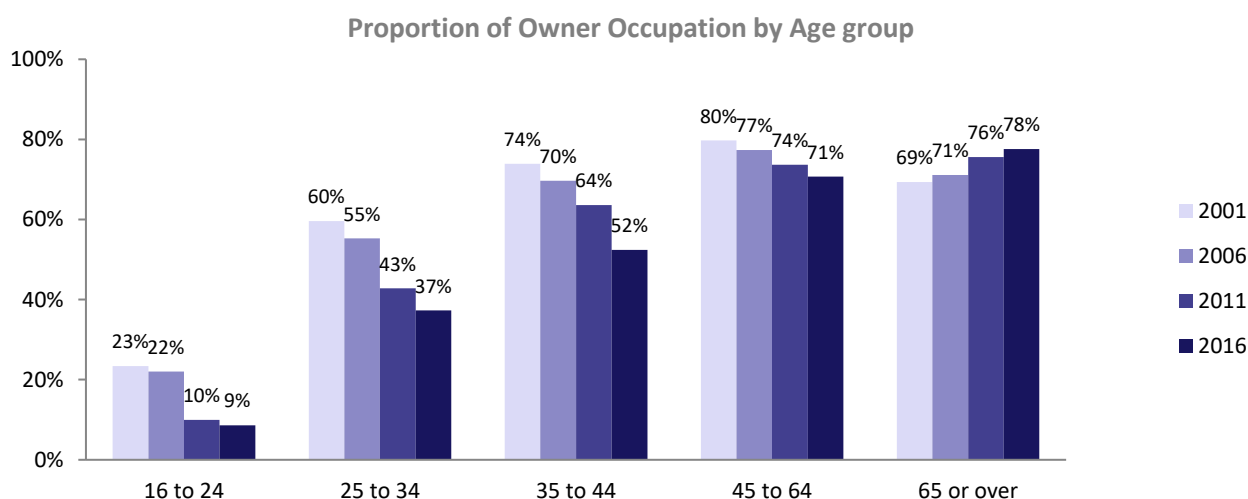
Needs of Households Aspiring to Homeownership

Home Ownership Trends

4.37 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.

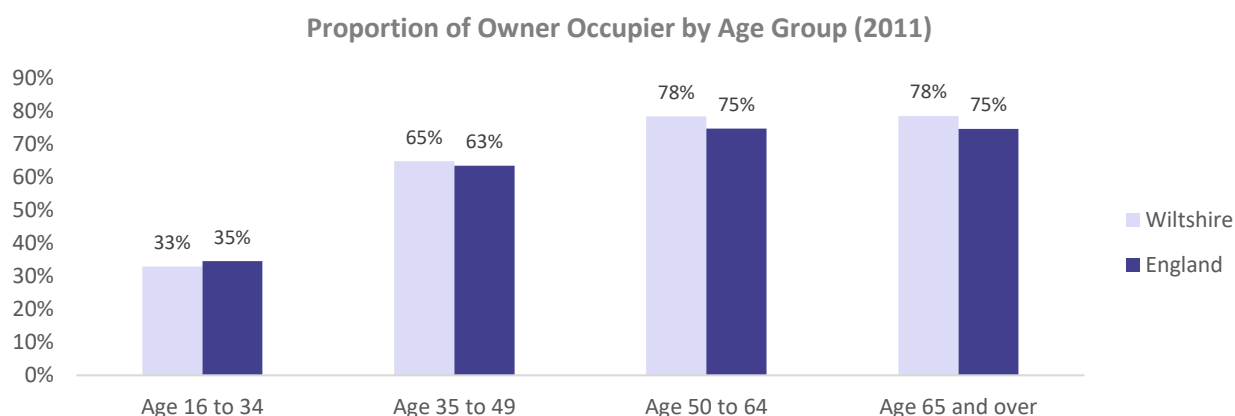
4.38 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (see Figure 28)

Figure 28: Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)



4.39 The English Housing Survey does not contain robust data on owner occupation by age group at the local level, however an indication of the comparison between owner occupation levels by age in Wiltshire versus the national average can be gathered from the 2011 Census (Figure 29) which shows that there are higher rates of owner occupation in Wiltshire than the national average in all age groups, except for those aged 16 to 34. The proportion of owner occupation increases with the age of the household reference person.

Figure 29: Proportion of Owner Occupation by age group 2011 (Source: Census 2011)



Establishing the number of households aspiring to home ownership

4.40 English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 30: Long-term aspirations for England (Source: English Housing Survey 2013/4)

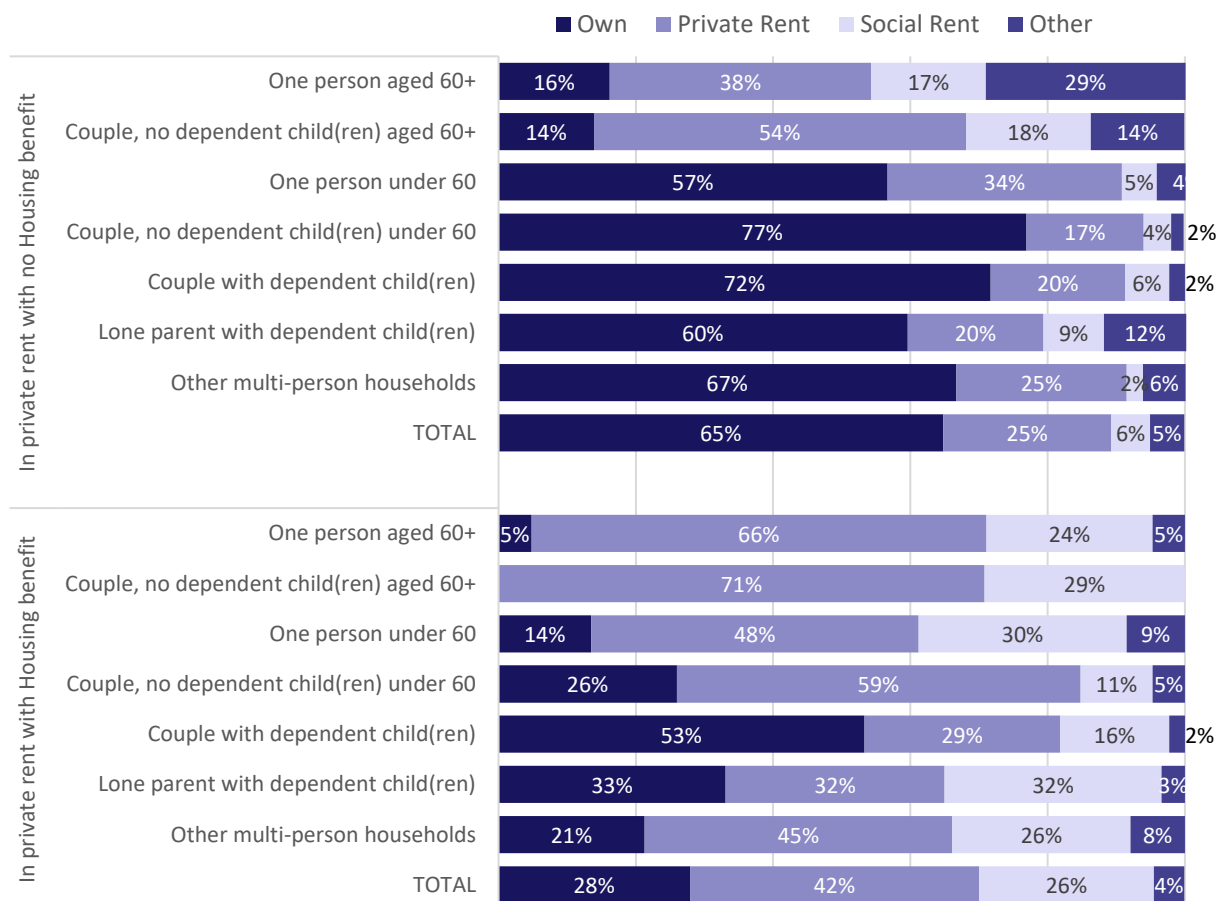
Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

4.41 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

4.42 The following chart (Figure 31) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

Figure 31: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)

Long-term tenure expectations of those currently in private rented sector



- 4.43 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with a Household Representative Person (HRP) over 60 (averaging 14%) and considerably higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 4.44 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Additional Need for Affordable Homeownership

- 4.45 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 32 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. It is important to recognise that all of these households are able to meet their own housing costs in the private rented sector, so would typically not be considered for social or Affordable Rent.

Figure 32: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	319	1361	725	330	193	93	3020
Couple without children	269	2128	725	848	505	149	4623
Families with child(ren)	281	2094	2244	869	0	0	5488
Other households	24	207	90	93	54	0	467
Total	891	5,789	3,784	2,141	751	242	13,598
<i>Percentage of households</i>	7%	43%	28%	16%	6%	2%	100%

- 4.46 Based on this analysis, we can estimate that there is a total of around 13,598 households currently resident in Wiltshire who cannot afford to own their own home but would aspire to do so. Half of these households (50%) are aged 15-34 with the substantial majority (78%) aged under 45.
- 4.47 In addition to the current need, it is also important to consider new households that are projected to form over the period 2020-2038. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 9,349 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 22,948 households who aspire to homeownership but who cannot afford to buy their own home over the period 2020-38, a net annual need of 1,275 per year.** The vast majority of this group of private renters can be assumed to be potential first-time buyers, as it is far more common for a renter to become a homeowner (i.e. as a first-time buyer) than the reverse (i.e. entering the rental market having previously owned a home). The percent of private renters aspiring to home ownership in Figure 32 aged 25-34 and 35-44 supports the idea of private renters aspiring to home ownership being first time buyers.
- 4.48 As noted earlier in Chapter 4, the government have recently introduced a new housing product entitled First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the figure of 22,948 households who aspire to homeownership in Wiltshire sets an upper threshold for the number who could seek to access First Homes, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.

Identifying the Overall Affordable Housing Need

4.49 Figure 33 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 18-year period 2020-38. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 33: Assessing total need for affordable housing 2020-2038 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2020	2,301	13,598	15,899
Future housing need 2020-38	4,761	9,349	14,110
TOTAL HOUSING NEED	7,062	22,948	30,010

4.50 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 30,010 households over the 18-year period 2020-2038, equivalent to an average of 1,667 per annum.

4.51 This represents more than the annual growth of 1,380 households per annum identified by the ONS 2018-based household projections for the LHN period 2020-2030 (10-year variant, **Figure 14**). This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

- 4.52 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.

Planning Practice Guidance, ID 2a-017-20190220

- 4.53 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.
- 4.54 It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 7,062 households.
- 4.55 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 4.56 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The First Homes criteria are the minimum requirements a housing unit must meet in order to qualify as a First Home. Affordable Housing Update Written Ministerial Statement published on 24 May 2021, the national standards for a First Home are that:

a) a First Home must be discounted by a minimum of 30% against the market value;

b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,

c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in first 2 paragraphs under First Homes eligibility criteria.

Planning Practice Guidance, ID: 70-002-20210524

4.57 It goes on at paragraph 4 to outline that:

Can the required minimum discount be changed?

In order to qualify as a First Home, a property must be sold at least 30% below the open market value. Therefore, the required minimum discount cannot be below 30%.

However, the First Homes Written Ministerial Statement does give local authorities and neighbourhood planning groups the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes). Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for a higher minimum discount level in the area, and how it can meet the needs of different demographic and social groups.

In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home. Developers who are able to offer higher discounts within their contributions should be free to do so but the local authority cannot require this. In such cases, whatever discount (as a percentage of market value) is given at the first disposal should be the same at each subsequent sale. These minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis.

If local authorities or neighbourhood planning groups choose to revise their required minimum discounts in any future alterations to their plans, this should not affect the minimum discounts required for previously sold First Homes when they come to be resold, as these will be bound by the section 106 agreements entered into at the time of their first sale.

Planning Practice Guidance, ID: 70-004-20210524

4.58 Figure 6 shows that the current lower quartile newbuild prices for a 4-bedroom property in Wiltshire is around £351,000, so 70% of this price would be inside the cap limit. Therefore, we have not applied any caps on the discount applied to First Homes based upon the maximum £250,000 value. However, it is still the case that a property discounted by 50% will be much more affordable than one discounted by 30%. Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme. However, we then assess how many of these households can also afford at a 30% discount.

4.59 Given this context, Figure 34 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It should be remembered that, as set out in Figure 13, First Homes are typically more affordable than shared ownership in Wiltshire, but of course shared ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

^{4.60} Of the 22,948 households who can afford to rent but who aspire to homeownership, there would be 2,946 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 6,446 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values (Figure 34). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 10,168 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 34: Affordable homeownership housing mix by household affordability 2021-2038 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of newbuild LQ and have savings of £5,000 or more
1 bedroom	2,378	606	1,772	413	1,359	1,071	288
2 bedrooms	8,045	1,178	6,867	2,170	4,697	3,573	1,124
3 bedrooms	9,898	962	8,936	2,712	6,225	4,742	1,482
4+ bedrooms	2,626	200	2,426	1,150	1,276	782	495
TOTAL	22,948	2,946	20,002	6,446	13,556	10,168	3,388

^{4.61} On this basis, 3,388 dwellings are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This is less than one seventh of the total that was originally identified. As previously noted, it is likely that the vast majority of these households would be first-time buyers.

^{4.62} Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 3,388 households likely to form an effective demand (i.e. those able to afford the various products that will potentially be available) in addition to the 7,062 households unable to afford to rent or own market housing. Figure 35 provides a breakdown of the planned affordable housing on this basis.

Figure 35: Overall need for Affordable Housing 2020-38, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	153	288	441
2 bedrooms	2,704	1,124	3,828
3 bedrooms	3,233	1,482	4,715
4+ bedrooms	973	495	1,468
TOTAL HOUSING NEED	7,062	3,389	10,451

^{4.63} The LHNA identifies an overall affordable housing need from 10,451 households over the 18-year period 2020-38 (580 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property.

^{4.64} However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Affordable Rent

^{4.65} Within the overall need of 10,451 affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing⁸. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

^{4.66} As discussed in Chapter 2, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 10 identified the minimum annual income in Wiltshire needed to afford Affordable Rents by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford Affordable Rents. Figure 36 presents the same data as Figure 35, but with those unable to afford disaggregated in this manner. The household aspiring to own figure is based upon those who can access a First Homes property at 50%, but as shown in Figure 13 this is typically more affordable than shared ownership, but it is less flexible. Therefore, additional households may be able to access shared ownership as a means to home ownership.

^{4.67} 1,883 of the 10,451 households identified in Figure 35 (18%) could afford Affordable Rent without housing benefit support. This is 27% of the 7,062 identified as being unable to afford housing costs.

Figure 36: Overall need for Affordable Housing 2020-38 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need			Planned Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership (Figure 35)	
	Unable to afford Affordable Rent	Able to afford Affordable Rent		
1 bedroom	130	23	288	441
2 bedrooms	1,936	768	1124	3,828
3 bedrooms	2,365	868	1482	4,715
4+ bedrooms	748	225	495	1,468
TOTAL HOUSING NEED	5,179	1,883	3,389	10,451
Overall Percentage	50%	18%	32%	100%

⁸ While this section is about need and not supply, nor whether is it feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

Establishing the Affordable Housing Policy Target

- 4.68 Further work will be needed to establish the appropriate policy target which will only become available later in the plan-making process. There are a number of factors which should be considered when agreeing the policy target and the most important are set out below. It is important to emphasise that these factors should be considered; they are not prescriptive of what decision should arise from those considerations. For example, it is important for the Council to consider whether to apply an uplift to the LHN, but the decision as to whether an uplift is to be applied is entirely for the Council.
- 4.69 Setting the target may need to take account of the overall housing supply to be included in any future plan and establish which sites would not be subject to the affordable housing policy – predominantly small sites below the threshold (including any allowance for future windfall), but also conversions and any other sites that would be exempt. It would also be necessary to make allowance for any completions within the plan period and housing on sites with existing permissions, both in terms of the overall number of homes and any affordable housing that this includes.
- 4.70 The information on supply would need to be considered alongside any Duty-to-Co-operate discussions and/or agreements relating to meeting unmet needs. Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would also increase the number of affordable dwellings needed by an equivalent amount. Only then is it possible to consider how the number of homes identified within the affordable housing need can be delivered on qualifying sites to establish the relevant percentage. The policy target would need to be higher than the identified percentage as some qualifying sites may not deliver at the policy target due to their specific constraints.
- 4.71 The affordable housing policy target would need to be considered in the context of economic viability. Local viability assessments are likely to determine the actual affordable housing target (as a proportion of market housing sites) and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence.
- 4.72 If the identified policy target is higher than the maximum identified by the viability work it would have to be reduced, which is likely to result in unmet affordable housing need. Given this position, the Council would need to consider whether an uplift to the LHN could be justified when establishing the housing requirement. However, as the LHN itself already incorporates a significant uplift beyond the household projection-based housing need, a further uplift to market housing may prove difficult to sustain. On this basis, whilst an uplift might be appropriate, it would be necessary to fully understand the impact of any proposed increase on other aspects of the plan (such as employment growth) to ensure consistency. It would also be important to ensure that there was clearly identified demand for the additional market housing and that this could be sustained over the longer-term plan period; and where there was uncertainty, it may be more appropriate to consider any uplift being identified as additional supply to provide flexibility within the plan rather than increasing the housing requirement and associated target.
- 4.73 If the policy target is lower than the maximum identified by viability, there is the prospect to consider if there are any justifications for a higher target. This might include helping to meet unmet affordable housing need from elsewhere in the HMA (or other neighbouring areas) or policy decisions, such as reducing the number of households renting privately in receipt of housing benefit.
- 4.74 The appropriate balance between rented affordable housing and affordable home ownership will also need to be considered in the context of economic viability; though it will be important to ensure that the identified affordable housing need for households unable to afford is met in full. It will also be necessary to consider

the target for affordable home ownership in the context of the Government's target of at least 10% of new housing to be provided in this way⁹, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

Summary

^{4.75} The ORS model has identified that around 10,451 households will require affordable housing over the Plan period 2020-38. This total includes 5,179 households unable to afford Affordable Rent without Housing Benefit, 1,883 households who are able to afford Affordable Rent without Housing Benefit, but unable to afford market rents, and 3,389 households who aspire to home ownership and require some form of discounted home ownership.

⁹ [National Planning Policy Framework - 5. Delivering a sufficient supply of homes - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-planning-policy-framework) paragraph 65

5. Disaggregating Housing Need

Establishing the housing size and tenure mix

Introduction

- 5.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure.
- 5.2 Volume I of the LHNA established a minimum LHN of 35,658 dwellings for Wiltshire over the 18-year period 2020-38 using the standard method calculation and process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220].

Disaggregating the minimum Local Housing Need figure

- 5.3 Volume I also identified that the number of dwellings needed to deal with the projected household and institutional population growth is 24,454 in Wiltshire. The LHNA has also identified a substantial need for affordable housing: an overall total of around 10,451 households over the 18-year Plan period 2020-38.
- 5.4 If we assume that 3.93%¹⁰ of dwellings will be unoccupied at any one time this means that a total of 25,455 dwellings are required. As the local housing need was identified as 36,658 dwellings across the 18-year period, this leaves a difference between these housing need figures and the population projected need of 25,455 dwellings.
- 5.5 This additional need is made up from two elements:
- » Enabling more households to form¹¹ (from the pent-up housing demand) = 2,331 dwellings
 - » Enabling more net inward migration¹² = 7,872 dwellings



- 5.6 These 35,658 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 4 is affordable home ownership for those that aspire to own. Some of the 10,203 (2,331 + 7,872) extra dwellings for pent-up demand and in-migration to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers is calculated below.

¹⁰ Based on 2011 Census data at a local authority level

¹¹ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001.

¹² Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration.

Figure 37: Extra households from pent-up demand and in-migration beyond projected (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2038 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	108	27	80	19	61	48	13
2 bedrooms	364	53	311	98	212	162	51
3 bedrooms	448	44	404	123	282	215	67
4+ bedrooms	119	9	110	52	58	35	22
TOTAL	1,038	133	905	292	613	460	153

- 5.7 Figure 37 applies the same calculation to the extra residents as was presented in Figure 34 for households that formed projected growth. Dwellings suitable for 153 extra households are needed to accommodate those that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.
- 5.8 The previous analysis (Figure 34) identified 3,388 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 153 extra households identified, this totals 3,541 households that will aspire to homeownership and have the financial means to be able to afford First Homes at a 50% discount. Application of the affordable vacancy rate (under 1%)¹³ yields 3,588 affordable homeownership dwellings (Figure 38).

Figure 38: Summary of households likely to be able to access affordable home ownership in LHN scenario (Source ORS Housing Model, Census)

	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Households	Dwellings (including a vacancy rate)
1 bedroom	288	13	301	305
2 bedrooms	1,124	51	1,174	1,190
3 bedrooms	1,482	67	1,549	1,570
4+ bedrooms	495	22	517	524
TOTAL	3,388	153	3,541	3,588

- 5.9 Figure 39 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 36, and further disaggregating aspire to homeownership into those that can afford First Homes with a 30% discount and those that can afford First Homes with a 50% discount, but not with a 30% discount. This latter group will therefore require the provision of a more accessible product than 70% First Homes (e.g., a form of shared ownership, first homes with a larger discount, or similar). These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN. The category labelled unable to afford market rent includes both social and Affordable Rent and is broken down in more detail in Figure 36.
- 5.10 The figures also contain market needs which represents the need for Use Class C2 bedspaces, such as care homes, converted to dwellings. The Class C2 figure is outlined in Figure 39, which considers the projected

¹³ Affordable vacancy rate data from Regulator of Social Housing - Statistical Data Return 2019

growth in those in Class C2 in the population and household projections. It is important to note that we are not assuming that the equivalent of 1,469 dwellings in Wiltshire are delivered as Class C2 bedspaces. Instead, the population and household projections assume that older people and others who require Class C2 will move out of their homes, freeing up the equivalent of 1,469 dwellings. If these moves do not occur because Class C2 bedspaces are not provided, then 1,469 more Class C3 dwellings will be required. If new Class C2 bedspaces are delivered they can be counted at a ratio of 1.8 bedspaces equals 1 dwelling in the LHN figures.

Figure 39: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents	Unable to afford market ownership				
		Able to afford 50% but not 70% First Homes	Able to afford 70% First Homes			
1 bedroom	155	69	236	459	1,111	1,571
2 bedrooms	2,739	419	771	3,929	2,947	6,876
3 bedrooms	3,275	579	991	4,845	13,328	18,173
4+ bedrooms	986	203	321	1,509	6,061	7,570
DWELLINGS	7,155	1270	2318	10,743	23,446	34,189
C2 Dwellings	-	-	-	-	1,469	1469
LHN	7,155	1,270	2,318	10,743	24,915	35,658

^{5.11} Figure 40 shows the components of housing need presented in Figure 39 as percentages of the 35,658 overall dwelling need calculated with the proposed standard method.

Figure 40: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents	Unable to afford market ownership				
		Unable to afford 70% First Homes	Able to afford 70% First Homes			
1 bedroom	0.4%	0.2%	0.7%	1.3%	3.1%	4.4%
2 bedrooms	7.7%	1.2%	2.2%	11.0%	8.3%	19.3%
3 bedrooms	9.2%	1.6%	2.8%	13.6%	37.4%	51.0%
4+ bedrooms	2.8%	0.6%	0.9%	4.2%	17.0%	21.2%
DWELLINGS	20.1%	3.6%	6.5%	30.1%	65.8%	95.9%
C2 Dwellings					4.1%	4.1%
LHN	20.1%	3.6%	6.5%	30.1%	69.9%	100.0%

Size and Tenure Mix based Upon LHN

- ^{5.12} Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will be available). In line with providing a population-based analysis rather than a policy-based analysis, no account is taken in these figures of the Wiltshire Council policies on allocation of properties, such as couples with no children being eligible only for a 1 bedroom property.
- ^{5.13} Figure 41 provides a breakdown of the LHN of 35,658 dwellings between market and affordable housing on the basis of the percentages of overall need shown in Figure 40 being applied to the LHN of 35,658. In summary, there is a need for:
- » Social rented housing = 5,247 dwellings (14.7%) for households unable to afford affordable rent;
 - » Affordable Rent = 1,908 dwellings (5.4%) for households that can afford affordable rent but unable to afford market rent;
 - » Affordable home ownership = 3,588 dwellings (10.1%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;
 - » Market housing = 23,446 dwellings (65.8%); and
 - » Allowance for C2 provision within the total housing need of 35,658 = equivalent to 1,469 dwellings that would be counted against the LHN target; which represents over 2,640 bedspaces.

Figure 41 Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Dwellings Unable to afford		Aspiring to Home Ownership			
	Social rent	Affordable Rent				
1 bedroom	132	23	305	459	1,111	1,571
2 bedrooms	1,961	778	1,190	3,929	2,947	6,876
3 bedrooms	2,396	879	1,570	4,845	13,328	18,173
4+ bedrooms	758	228	524	1,509	6,061	7,570
DWELLINGS	5,247	1,908	3,588	10,743	23,446	34,189
C2 Dwellings	-	-	-	-	1,469	1,469
LHN	5,247	1,908	3,588	10,743	24,915	35,658

6. Needs of Different Groups

Exploring the needs of a range of specific groups

Introduction

- 6.1 Paragraph 61 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.

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

Revised NPPF, paragraph 61

Housing for Older People

- 6.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.¹⁴
- 6.3 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG “Housing for older and disabled people” was published on 26th June 2019, which states:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector ... Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

Planning Practice Guidance, ID 63-004-20190626

- 6.4 It is important to plan for housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.
- 6.5 This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the 2012 “Housing Our Ageing Population” report (HAPPI2).¹⁵ This defines specialist provision as mainstream

¹⁴ ONS 2016-based sub-national population projections

¹⁵ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

(including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).

- 6.6 The Housing Learning and Improvement Network (LIN) published “More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people”¹⁶ in February 2008; and subsequently published the “Strategic Housing for Older People (SHOP)”¹⁷ resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.
- 6.7 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.
- 6.8 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012) as this is more recent than the 2008 More Choice, Greater Voice toolkit¹⁸. The SHOP resource pack is also explicitly referenced in the guidance¹⁹. The SHOP resource pack forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+).

Figure 42: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+						
Leasehold Schemes for the Elderly (LSE)	75	-	75	120	-	120
Conventional Sheltered Housing	-	50	50	-	60	60
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	10	10	20	10	10	20
Extra care	12.5	12.5	25	30	15	45
Dementia	-	10	10	-	6	6
TOTAL	97.5	92.5	180	160	91	251

- 6.9 The population projections underlying the Local Housing Need figure for Wiltshire show a substantial increase in the older population during the period 2021-2038. The population aged 75+ is likely to increase by around 32,920 persons based on providing the number of homes needed to meet the local housing need.

Figure 43: Projected population aged 75+ (Source: LHN dwelling-led population projections)

	75-84	85+	TOTAL
2020	36,816	15,175	51,991
2038	56,556	28,355	84,911
CHANGE	+19,740	+13,180	+32,920

- 6.10 The data published by the Elderly Accommodation Counsel (EAC)²⁰ identifies that there is a total of 5,741 specialist Older Person units across Wiltshire.

¹⁶ http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

¹⁷ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

¹⁸ www.housinglin.org.uk/housinginlaterlife_planningtool

¹⁹ [Housing for older and disabled people - GOV.UK \(www.gov.uk\) - Paragraph 004](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/200000/Housing_for_older_and_disabled_people_-_GOV.UK_(www.gov.uk)_-Paragraph_004)

²⁰ <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC ‘acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as “retirement housing”. This report

Figure 44: Existing Stock of Specialist Older Person Housing for Wiltshire (Source: EAC 2015)

Property Type	Owned	Rented	TOTAL
Housing with support	1,734	3,026	4,760
Housing with care	748	233	981
TOTAL	2,482	3,259	5,741

- 6.11 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 51,991 people aged 75+ requires 13,049 specialist homes whilst data shows that just 5,741 exist, resulting in an unmet need of nearly 7,308 homes already in the area.
- 6.12 If we then consider the increase in need by 2038 by applying the SHOP formula (per 1,000) to the 32,920 additional people aged 75+ that are projected to exist in Wiltshire by 2038 we can calculate the additional need for elderly housing by 2038.

Figure 45: Modelled Demand for Additional Specialist Older Person Housing 2020-38 (Source: Housing LIN Toolkit)

		SHOP FORMULA rate per 1,000 persons			WILTSHIRE ADDITIONAL NEED (x 11,271)		
		Owned	Rented	Total	Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	120	0	120	3,950	-	3,950
	Conventional Sheltered housing	0	60	60	-	1,975	1,975
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	10	10	20	329	329	658
	Extra care	30	15	45	988	494	1,481
	Dementia	0	6	6	-	198	198
Total		160	91	251	5,267	2,996	8,263

- 6.13 The toolkit identifies future need for 15,572 specialist older person additional housing units over the period 2020-2038.
- 6.14 The table below summarises the potential requirement for new specialist housing, taking account of the current stock, unmet demand, and population growth for the period.

Figure 46: Modelled Demand for Older Person Housing in Wiltshire based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-38	Overall need
Sheltered Housing	Owned	120	6,239	1,734	+4,505	+3,950	+8,455
	Rented	60	3,119	3,026	+93	+1,975	+2,069
Extra Care	Owned	40	2,080	748	+1,332	+1,317	+2,648
	Rented	31	1,612	233	+1,379	+1,021	+2,399
TOTAL		251	13,050	5741	+7,309	+8,263	+15,572

- 6.15 The model assumes a continuation of current types of housing although it is unclear, if Older People will aspire to these types of specialist housing in the future. Demand for some types of housing are already experiencing low demand, and other, newer types of provision may appear to meet changing aspirations.

looks only at schemes that fall within the following definition: "a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group". It is important to note that a considerable proportion of housing intended for older people falls outside this definition and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' are included.

The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

^{6.16} In practice, the level of delivery identified as being required is likely to be unachievable given that it represents almost half of the overall local housing need based on the standard method. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

^{6.17} However, it should be stressed that these figures are based upon idealised outcomes for Wiltshire. If current rates of provision were to continue a further 3,635 specialist older person dwellings would be required²¹. Therefore there is a very big range of potential levels of need for specialist older person housing.

^{6.18} The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:

- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
- » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
- » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

²¹ Provision of 5,741 units for a population of 51,991 equals 110.4229 units per 1,000 persons. Applying this rate to the 32,920 additional persons equals 3,635 additional units.

Housing for People with Disabilities

- ^{6.19} The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).²²
- ^{6.20} Three standards are covered:
- » M4(1) Category 1: VISIBLE dwellings – Mandatory, broadly about accessibility to ALL properties
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- ^{6.21} We would note that at the time of writing there is an ongoing consultation on the future of these standards and how they will be applied. However, given that the outcome of this consultation is unknown, we have proceeded to seek to apply the current policy and guidance.
- ^{6.22} In terms of new developments, Part M states that: *“Where no condition is imposed, dwellings only need to meet requirements M4(1)”* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.
- ^{6.23} Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.

To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.

Planning Practice Guidance, ID 56-007-20150327

- ^{6.24} Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

²² <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

6.25 The PPG states:

Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment²³ (replacing Disability Living Allowance) / Attendance Allowance²⁴ benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant²⁵ (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.

Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.

Planning Practice Guidance, ID 63-005-20190626

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

- 6.26 In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.
- 6.27 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

“The provision made must be sufficient to-
(a) meet the needs of occupants with differing needs, including some older or disabled people, and
(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.”

Access to and use of buildings: Approved Document M v1, Page 10

- 6.28 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.
- 6.29 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 47).

²³ Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

²⁴ Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

²⁵ Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

Figure 47: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	6.5%	19.8%	8.8%

- 6.30 Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.
- 6.31 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Wiltshire to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

Figure 48: Households with a long-term illness or disability in Wiltshire in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households with one or more persons with a limiting long-term illness or disability	61,284
Does not affect their housing need	41,362
Current home suitable for needs	16,676
Current home requires adaptation	1,633
Need to move to a more suitable home	1,615
Total households where a limiting long-term illness or disability affects their housing need:	19,923

- 6.32 The model (Figure 48) identifies that there were around 61,284 households living in Wiltshire in 2020 with one or more persons with a limiting long-term illness or disability. In 41,362 of these households, this does not affect their housing need, but in 19,923 households an illness or disability does impact on housing need.
- 6.33 Amongst those households where it does affect housing needs 16,676 households are already living in a suitable home (having moved or made adaptations). This leaves 1,633 households needing adaptations to their current home and 1,615 households needing to move to a more suitable home. The 1,615 households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.
- 6.34 The identified need for 1,615 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires *"the changing needs of occupants over time"* to be considered. Therefore, even without any change to the number of households in Wiltshire, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.
- 6.35 Whilst around 19,923 households living in Wiltshire in 2020 have a health problem that already affected their housing requirement, it is likely that a further 8,922 households would develop health problems within 10

years. These households would also require adaptations to their current home or would need to move to a more suitable home.

- ^{6.36} Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.
- ^{6.37} Further modelling of health needs suggests that by 2038 there will be an additional 23,705 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2020 whose health has deteriorated over the Plan period.
- ^{6.38} Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 32,627 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 1,615 households needing to move and the 1,633 households needing adaptations based on their current health at the start of the Plan period.

Figure 49: Households with a long-term illness or disability in Wiltshire in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households where an existing illness or disability affects their housing need in 2020	
Current home suitable for needs	16,676
Current home requires adaptation	1,633
Need to move to a more suitable home	1,615
Total households where a limiting long-term illness or disability affects their housing need in 2020	19,923
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	8,922
Additional households in 2038 projected to experience problems or likely to develop problems within 10 years	23,705
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	32,627

- ^{6.39} To provide M4(2) housing for all of the identified need would require housing for up to 34,242 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.
- ^{6.40} Although some households would prefer not to move, many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. The English Housing Survey (EHS) Adaptations and Accessibility Report, 2014-15 identifies which age and type of dwellings could be adapted to meet visitability standards²⁶. Based on the housing mix in Wiltshire, it is likely that around 60% will live in dwellings that could be converted to meet the M4(1) standard.

²⁶ <https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-adaptations-and-accessibility-of-homes-report>

6.41 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 40% of the need for adapted housing; a total of 13,607 households including the 1,615 households identified as needing to move at the start of the Plan period.

Figure 50: Households with a long-term illness or disability in Wiltshire in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

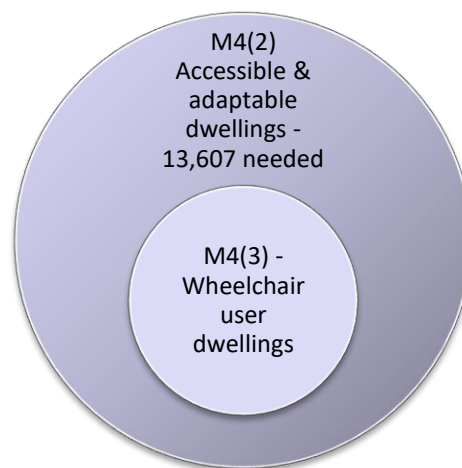
	TOTAL
Existing need in 2020	
Households where an existing illness or disability affects their housing need and need to move in 2020	1,615
Projected future need 2020-38	
Additional households in 2038 where illness or disability affects their housing need or will develop within 10 years	32,627
Maximum need for adapted housing 2020-38 (households)	34,242
Less households living in dwellings adaptable to M4(1) standard	20,635
Minimum need for adapted housing 2020-38 (households)	13,607

6.42 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 13,600 households and maximum of 34,240 households identified in Figure 50 provide an appropriate range for the local authority to consider.

Housing for Wheelchair Users

6.43 The overall need calculated in the previous section represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. Households with a wheelchair user are included within the definition of households having a health problem or disability that affects their housing need.

6.44 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:



“The provision made must be sufficient to-
(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;
(b) to meet the needs of occupants who use wheelchairs.” (Page 23)

6.45 In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

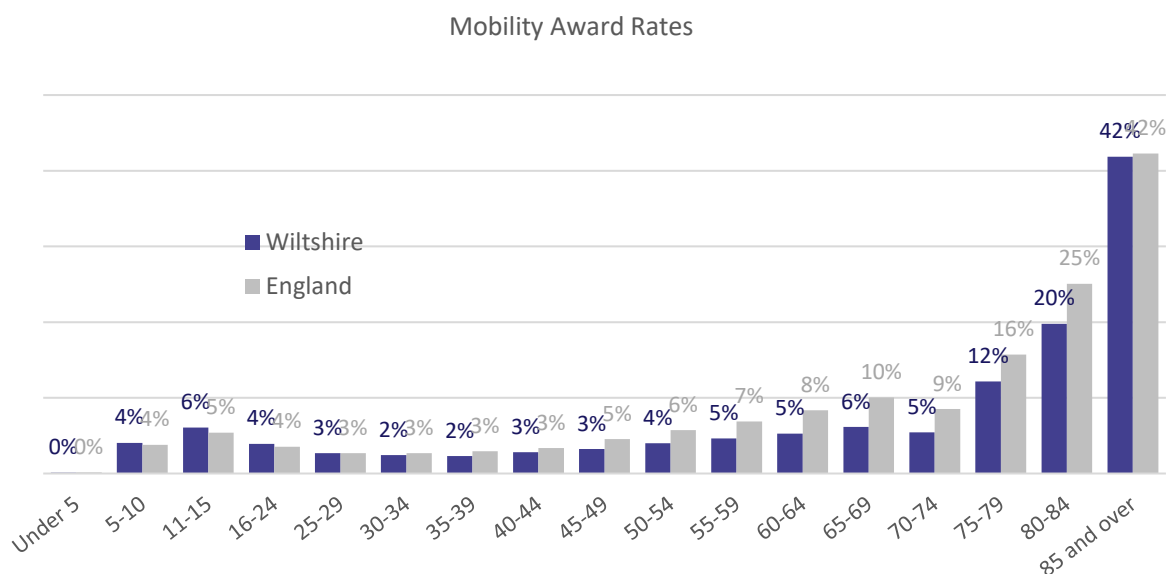
^{6.46} The CLG guide to available disability data²⁷ referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 51 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 51: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

^{6.47} To get a better understanding of the local Wiltshire data, Figure 52 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Wiltshire against the figures for England.

Figure 52: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Aug 2021)



^{6.48} Through combining the information on local rates with the national data, we can establish the proportion of households in Wiltshire likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 53).

Figure 53: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.8%	3.8%	5.7%	9.1%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.8%	9.8%	11.9%	19.6%

²⁷ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

6.49 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2020 to 2038. (Figure 54). Using this approach we calculate the number of households likely to need wheelchair adapted housing is likely to increase by 2,550 over the 18-year period. This amounts to 7% of the dwelling target over the same time period, so would suggest a need for 7% of new dwellings to be built to M4(3) standard.

Figure 54: Households needing Wheelchair Adapted Housing
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2020	2038	Net change 2020-38
Market housing	4,940	6,590	+1,650
Affordable housing	2,640	3,540	+900
Total	7,580	10,130	+2,550

6.50 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (82%) comes from households which are aged over 75. This can be seen in Figure 55.

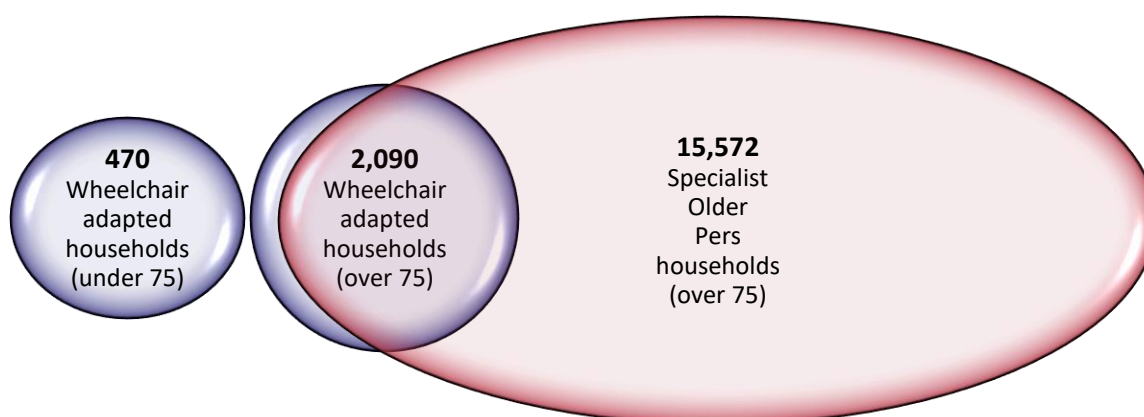
Figure 55: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2020	2038	Net change 2020-38	2020	2038	Net change 2020-38
Market housing	2,920	3,110	+190	2,020	3,490	+1,470
Affordable housing	1,640	1,910	+280	1,010	1,630	+620
Total	4,560	5,020	+470	3,020	5,110	+2,090

6.51 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.

6.52 Earlier analysis of housing for older people identified a need for around 15,500 specialist older person housing units for households aged 75 or over. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that approaching 15% of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.

Figure 56: Relationship between households needing Wheelchair Adapted Housing and Specialist Older Person Housing Need
(Source: ORS Housing Model)



- 6.53 On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. This could reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

The Private Rented Sector

- 6.54 The growth in the private rented sector in Wiltshire has been considered as part of the housing trends section (Figure 1 to Figure 3) which showed the sharp growth in the sector over recent years. This is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting. Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

Planning Practice Guidance, ID 67-002-20190722

- 6.55 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices;
 - » The impact of inheritance and the difficulties involved in selling properties;
 - » Pensions reform: pension drawdowns invested in BTL property.
- 6.56 The growth of the Sector has been acknowledged over a number of years as both a growing and long-term option for meeting the nation’s housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032.²⁸
- 6.57 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.
- 6.58 Importantly, the Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

²⁸ <http://news.rla.org.uk/rpi-rent-revolution/>

6.59 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

The Future Role of the Private Rented Sector

6.60 PRS is an important tenure that has grown since 1991 to house a significant proportion of households in the area. At the same time, young households have been less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.

6.61 Further, there have been other changes announced (Starter Homes, Right to Buy for housing association tenants and the new First Homes scheme) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first-time buyers. This duty is likely to be updated to supporting the new First Homes scheme.

6.62 As is shown in Figure 37 there are many households residing in the private rented sector in Wiltshire who aspire to home ownership. If affordable to own homes could be provided for this group, it would help to reduce the size of the private rented sector.

6.63 However, if the new supply of affordable homes changes to include a large proportion of First Homes or other affordable to own properties, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under RTB), then demand for PRS stock may continue or increase further. This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.

6.64 In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

Student Housing

6.65 PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements

Planning Practice Guidance, ID 67-004-20190722

- 6.66 Unless there is a major expansion of a higher education body into Wiltshire, students will continue to play a minimal role in the housing market.

Service Families

- 6.67 Wiltshire Council confirmed that all the dwellings required from the Army Basing Programme were completed prior to 2020, before the start of the emerging plan period.
- 6.68 There are a large number of empty MOD properties spread across Wiltshire. The County totals are show in Figure 57. A total of 1,219 properties are currently empty. ORS cannot comment on the number of empty properties which the MOD need to keep available, but if any of the empty MOD properties were brought into civilian ownership, such as through Council or housing association ownership, those properties could be used to lower the need for affordable rented housing across Wiltshire.

Figure 57: Empty MOD properties in Wiltshire (Source: Wiltshire Council)

Year	Occupied	Unoccupied
2021 – 2022	5,572	1,325
2022 - 2023	5,758	1,219

People Wishing to Build their Own Homes

- 6.69 Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

- 6.70 Over half of the population (53%) say that they would consider building their own home²⁹ (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK³⁰, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 6.71 The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved

²⁹ Building Societies Association Survey of 2,051 UK consumers 2011

³⁰ Self-build and custom build housing (England) House of Commons Brief Paper March 2017

away from those unable to afford mainstream housing towards those who want an individual property or a particular location.

6.72 “Laying the Foundations – a Housing Strategy for England” (HM Government, 2011)³¹ redefined self-build as ‘Custom Build’ and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. “Build-it-yourself? Understanding the changing landscape of the UK self-build market” (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build ‘Vanguards’ in 2014 to test how the ‘Right to Build’ could work in practice in a range of different circumstances. Individual local authorities produced their own reviews of their experiences³², but no detailed review of all 11 Vanguards was produced.

6.73 In the Budget 2014, the Government announced an intention to consult on creating a new ‘Right to Build’, giving ‘Custom Builders’ a right to a plot from councils. The Self-Build and Custom Housebuilding Act³³ 2015 places a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective ‘custom’ and self-build individuals, community groups and developers;
- » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- » Allow developers working with a Registered Provider to include self-build and custom-build as contributing to their affordable housing contribution.

6.74 The 2015 Act was amended by the Housing and Planning Act 2016³⁴ which placed a duty on local planning authorities to provide serviced plots which have planning permission that allows for self-build or custom housebuilding:

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority’s area arising in each base period.

Housing and Planning Act 2016 Section 2(a)(2)

February 2021 Policy Update

6.75 In February 2021, the Government updated Planning Practice Guidance in the form of, Self-build and custom housebuilding³⁵. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

³¹ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england-2>

³² [Right to Build Vanguard.pdf](#) and [Version-02-APPG-Enquiry-SCDC-response-to-circ.pdf](#) (cambridgeshireinsight.org.uk)

³³ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

³⁴ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

³⁵ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](#)

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation ('turnkey')

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding. The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.

When reading this guidance, reference should be made to the:

[Self-build and Custom Housebuilding Act 2015 \(as amended by the Housing and Planning Act 2016\)](#)

[Self-build and Custom Housebuilding Regulations 2016](#)

[Self-build and Custom Housebuilding \(Time for Compliance and Fees\) Regulations 2016](#)

In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.

Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.

Self-build and Custom Housebuilding Guidance

Paragraph: 016 Reference ID: 57-016-20210208

- ^{6.76} Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.
- ^{6.77} Alongside the updated guidance, DLUHC have published detailed data from the registers for the period 2016 to 2021, with 12,263 new individual and 157 new group entries being recorded in 2020/21. However, the number of households joining the registers varies across the country and household can appear on more than register. Nevertheless, it is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.
- ^{6.78} As noted above, it is already considered that by 2017 around 7%-10% of housing delivery would occur via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but DLUHC statistics indicate that only around 8,309 plots were given planning permission in 2020/21. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted. The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. There is no duty on a relevant authority to permission land which specifically meets the requirements expressed by those on the register. Relevant authorities should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop.

Self-build and Custom Housebuilding Guidance

Paragraph: 028 Reference ID: 57-028-20210208

What does having a 'duty to grant planning permission etc' mean?

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

Self-build and Custom Housebuilding Guidance

Paragraph: 023 Reference ID: 57-023-20210208

^{6.79} Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register with a 3-year time lag. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.

^{6.80} The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. This is recognised in the guidance which states that:

What is the relationship between the register and the Strategic Housing Market Assessment?

Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.

Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.

Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.

Self-build and Custom Housebuilding Guidance

Paragraph: 011 Reference ID: 57-011-20210208

^{6.81} The guidance is clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

April 2021 Self and Custom Build Action Plan

^{6.82} In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.³⁶ This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April, the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The ‘Planning for the Future’ White Paper also included specific proposals that allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

³⁶ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94421/self-and-custom-build-action-plan.pdf)

Evidence for Wiltshire

- ^{6.83} Wiltshire Council have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding registers. They hold an open register with no local connection test and applicants can be on other registers. There is no charge to join or remain on the register.
- ^{6.84} Figure 58 shows the number of new applicants joining the register annually since its inception in 2015. Also shown are the number of plots granted permission.

Figure 58: Applicants joining the Wiltshire Self and Custom Build Register (Source: Wiltshire Council)

Base Period	Applicants joining the Register	Plots granted permission
Base 1 (Aug 2015 to Oct 16)	32	36
Base 2 Oct 16 to Oct 17	50	42
Base 3 Oct 17 to Oct 18	51	39
Base 4 Oct 18 to Oct 19	90	51
Base 5 Oct 19 to Oct 20	67	28
Base 6 Oct 20 to Oct 21	155	13
Total	445	209

- ^{6.85} The base period from 2016 to 2017 onwards is 31 October to 30 October.
- ^{6.86} As of July 2022 there were 783 applicants on the register. This includes 322 new applications since October 2021. However, the Council consider this number of new applicants to be inflated due to a two month Facebook and Instagram promotion which was not affiliated or approved by Wiltshire Council. ORS cannot comment on any aspect of the promotion other than to note that the Council was not in control of the content and message. Figure 58 shows that an average of 7 new applicants joined the register each month since 2016-2017 (the first full year), with 13 applicants a month joining in 2020-2021 (the most recent full year). In contrast, 252 applicants joined during the two month promotion. It is difficult to assess how many of the 252 applicants who probably applied due to the promotion are serious about self or custom build.
- ^{6.87} In the absence of evidence of the number of serious applicants following the promotion, it is more relevant to consider the numbers of applicants over the preceding six years. The number of applicants joining the register each year has increased, from 50 in 2016-2017, to 155 in 2020-2021.
- ^{6.88} At the same time, the number of plots granted permission has fallen over time from 42 in 2016 to 2017, to 13 in 2020 to 2021. In total, 445 applicants joined the register since 2016-2017, while 209 plots were granted permission. There are several possible reasons for this including the availability of suitable plots for permission and the number of applicants seriously pursuing self or custom build.
- ^{6.89} Of the 783 applicants on the register, 428 included comments about their preferences, although many of these explained that they were looking for a self or custom build plot rather than any preference for sites.
- ^{6.90} A large number wished to build sustainable or eco homes; 93 out of 428 (22%) specifically mentioned an aspiration to build environmentally sustainable homes, while others could be inferred but have not been counted.
- ^{6.91} The size of property was specified by 100 applicants. Of these 100, 10 were looking for 2 bedrooms, 40 for at least 3 bedrooms and 49 for 4 or more bedrooms.

- ^{6.92} Other common preferences were for bungalows and other retirement properties, room for business use such as a workshop, studio or office, and a large garden, land, or room for animals. Rural and semi-rural locations appear to be preferred by most, although this conclusion is based partially on inference from stated preferences such as having a beautiful view.
- ^{6.93} In conclusion, Wiltshire Council have suitable policies in place relating to self and custom build. There is evidence of increasing interest in joining the register, though it is not possible to identify how many of these are serious applicants. Plots have been made available, but small numbers of plots compared to the number of applicants in recent years; notably 13 plots made available in 2020-2021 compared to 155 new applicants. Please note that it is not possible to make a direct comparison of plots against applicants because they are only obliquely related, but the continued decrease of plots over time compared to the continued increase in applicants over time suggests that insufficient plots are being granted planning permission for the number of applicants on the register.

Appendix A

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the LHNA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; "family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"³⁷.

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: "the proportion of people in each age group and household type who are the 'head' of a household"³⁸.

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

³⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

³⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now the Department for Levelling Up, Housing and Communities))
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DLUHC	Department for Levelling Up, Housing and Communities
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leasehold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment

VOA Valuation Office Agency

Appendix B

Broad Rental Market Areas

The map below shows the Broad Rental Market Areas (BRMA) covering the County of Wiltshire. The Wiltshire Council boundary and Swindon Council boundaries are shown by thick black lines. Other local authority boundaries are shown by thin black lines. Wiltshire and Swindon BRMAs are shown using strong colours and surrounding authorities BRMAs are shown with pale colours. BRMAs can cross local authority boundaries. Each BRMA is shown by a single colour theme. For example, the Cheltenham BRMA is yellow. This BRMA covers part of Wiltshire. The main, Cheltenham, part is shown in pale yellow, while the part in Wiltshire is shown in darker yellow.



Appendix C

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