

# Ringwood

Housing Needs Assessment (HNA)

January 2022

## Quality information

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**List of acronyms used in the text:**

HNA Housing Needs Assessment

HRF Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)

HLIN Housing Learning and Improvement Network

HRP Household Reference Person

LHN Local Housing Need

LPA Local Planning Authority

MHCLG Ministry for Housing, Communities and Local Government (formerly DCLG)

NA Neighbourhood (Plan) Area

NP Neighbourhood Plan

NPPF National Planning Policy Framework

NFDC New Forest District Council

OAN Objectively Assessed Housing Need

ONS Office for National Statistics

PPG Planning Practice Guidance

PRS Private Rented Sector

RQ Research Question

SHMA Strategic Housing Market Assessment

VOA Valuation Office Agency

# 1. Executive Summary

## Conclusions: Tenure, Affordability and the Need for Affordable Housing

This chapter approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.

When looking at the current tenure profile, the key finding within Ringwood was that the private rented sector expanded by 152.6% from 2001-2011, this is higher than the national average and also 41.9 percentage points higher than that of New Forest. Data also showed that the total privately owned tenure was 72.4% in 2011. Whereas shared ownership accounted for 0.8% and the total social rented was 10.8%. Finally, private renting totalled 15.1%. In relation to affordability, looking at the mean, it is clear from the data that there has been a drastic increase in house prices within Ringwood since 2011. In 2011 the mean house price was £251,983 and in 2020 it was £357,145. This has resulted in an increase of 41.7%, which equates to £105,162.

Then looking at affordability thresholds, the median house price would require an annual income of £86,786. This is over twice that of the current average, which is currently at £38,900. From the affordable home ownership sector, the only viable option for any income level is for shared ownership (10%). This would require an income of £33,991 with a mortgage value of £30,375.

In relation to the OAN, it identifies the need for 428 affordable homes each year within NFDC. This equates to 34 homes a year within Ringwood, as the NA makes up 8.04% of the LPA population. Within the Local Plan period, this equates to 442 affordable homes in Ringwood, between 2023-2036. Within our calculations we are aiming for 650 affordable homes within the NA.

Looking towards policy, New Forest's adopted policy on this subject Policy HOU2: Affordable Housing, requires 50% of all new housing to be affordable. Given that Affordable Housing made up just 25.3% of new housing in Ringwood over the last decade according to New Forest's completions figures, it is understood that this target is not usually met on sites in the NA.

Accordingly, within the Affordable Housing that comes forward in future we have recommended a split of 50% routes to home ownership and 50% Affordable Housing for rent. Within the 50% affordable ownership, there could also be a split of 25% First Homes, 20% Shared Ownership and 5% Rent to Buy. Importantly, this split within the affordable home ownership is compliant within current government guidelines, such as First Homes and Rent to Buy. This recommendation should be interpreted flexibly as there is an argument for a higher weighting on affordable rented products due to uncertainty about future rates of turnover, the need to meet a share of the District's needs, and the fact that much affordable home ownership is only affordable to above average earners in Ringwood.

Finally, a comment on Community Led Housing (CLH) may be of relevance to the NA as a means of delivering housing. A Community Led Housing (CLH) scheme is any project in which a group of local people play a leading role in addressing their own housing needs. Examples might include a cluster of sustainable homes that will remain affordable in perpetuity; a row of co-living bungalows for older people who share recreational facilities and on-site care; a community building offering spaces for culture, exercise or small businesses; or any other scheme brought about by the community for its own long-term benefit. The impetus can be economic (filling gaps in the provision the market is unable to provide), aspirational (doing something different and spurring positive social or environmental change), or a direct response to unique or underserved needs within the community. In addition to these tangible benefits, it is also a proven way to help local people feel more invested in their surroundings.

## **Conclusions: Type and Size**

This chapter provided an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

This chapter also intended to give a snapshot of the existing dwelling stock in Ringwood in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate for the future.

Firstly, VOA 2020 data was utilised to give the most accurate indication of property types within the area. This data highlighted that terraces and flats are generally the most affordable home types. From the VOA 2020, data there is a lower proportion of terraces and flats at 15.7% and 17.2% respectively. The low percentage of these more affordable homes can be an issue for those in the local area who are on lower incomes and want to get onto the property ladder, this was also highlighted within the conclusions above. Ringwood has a high percentage of detached dwellings at 22.6% compared to England (15.9%). Accordingly, this illustrates the high volume of larger, more expensive, properties within Ringwood.

Then, in relation to dwelling size, from the data, it is evident that Ringwood has a larger proportion of 4+ bedroom homes, compared to that of England, with 21.6% compared to 8.9%.

The estimated age structure of the NA population alongside 2011 Census figures, was then investigated. Results showed that from the 2011 data to 2019, there is an emerging elderly population. Accordingly, the only increase within an age group was between 65-84, which increased from 19% to 22%, with most other age categories either remaining the same or decreasing in relative proportion. Moreover, the increase in the population within Ringwood from 14,181 to 14,610, was predominantly within the 65-84 age group which increased from 2,687 in 2011 to 3,216 in 2019. Projections suggest that older age groups will continue to drive population growth to an increasing degree. Importantly, this could be due to pensioners retiring within Ringwood (including those who move in for that specific purpose) and younger, professionals, moving away from the area. Table 5-8 within the report illustrates this, as the oldest group will expand by 48% while the others stagnate or decrease. Importantly, across the NA, a combined total of just over 75% live in a home with at least one extra bedroom in 2011. With 39.03% living in a home with two or more extra bedrooms.

From the data analysed, our final conclusion suggests that new development should focus primarily on 3-bedroom houses with 43.6% of the new houses, they are already the most common, are generally the most popular, and are suitable to many groups. Next, 2-bedroom houses make up 42.8% of the balance, which is also a high figure. This size will gear towards young professionals, small families and also the elderly when they consider downsizing.

Focusing on 2/3-bedroom dwellings will also make for more affordable homes, therefore, giving first time buyers a better chance of getting on the property ladder. This may also have the effect of creating greater demographic balance in the area.

Importantly, this data should not be interpreted too prescriptively. It may be that older downsizing households prefer 3-beds to 2-beds and that the high figure for 2-beds could be spread more evenly among other size categories. This would potentially allow for continued provision of larger homes to retain choice in the market.



## 2. Context

### Local context

1. Ringwood is a Neighbourhood Area located in New Forest District, Hampshire. The designation of Ringwood Parish as a Neighbourhood Area was confirmed on 3rd February 2021.
2. The proposed Neighbourhood Plan period starts in 2023 (when it is anticipated the plan will be 'Made') and extends to 2036, therefore comprising a planning period of 13 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.

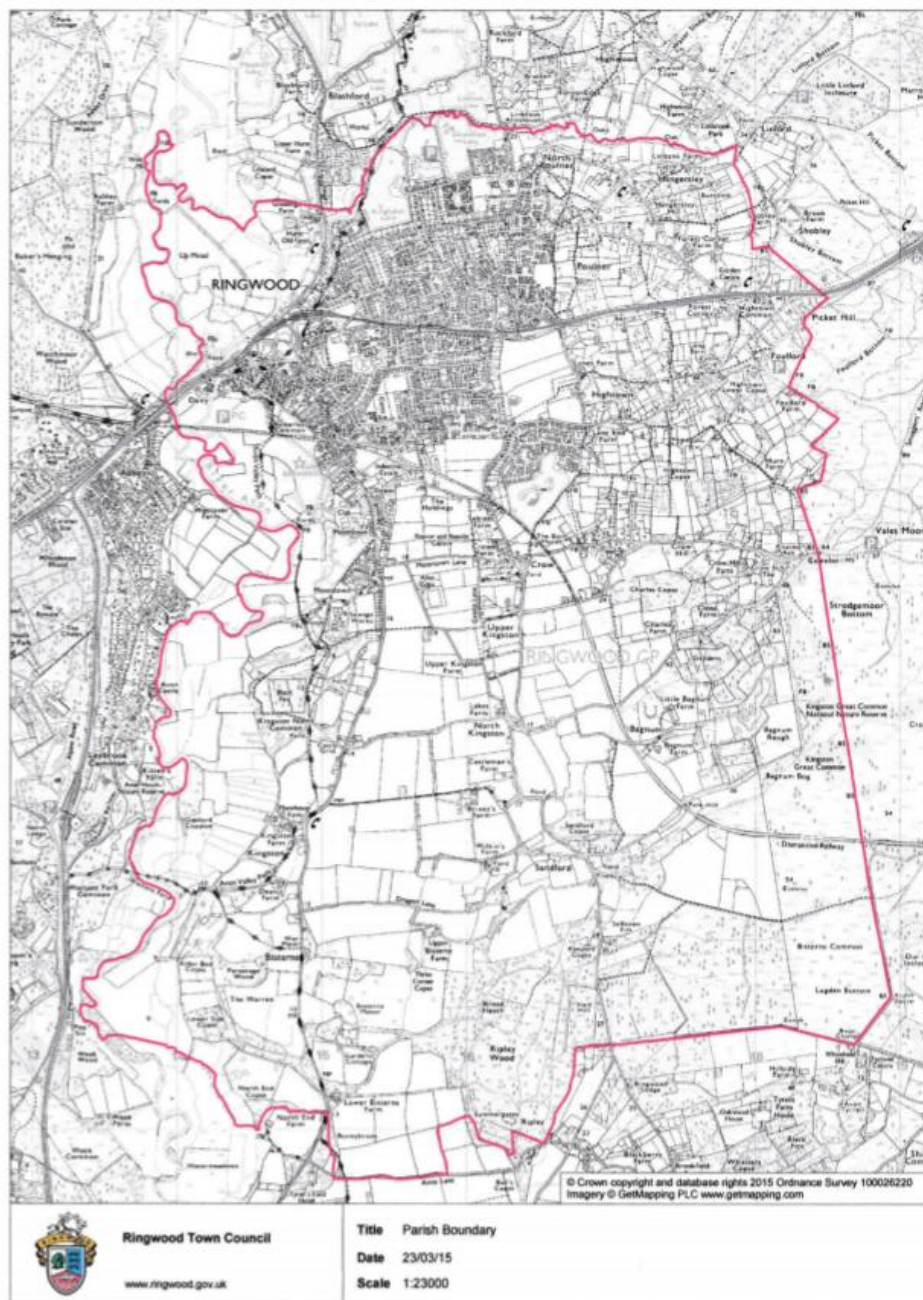
#### **The NA boundary**

3. Founded by the Anglo-Saxons, Ringwood is a market town in south-west Hampshire, England, located on the River Avon, close to the New Forest, northeast of Bournemouth and southwest of Southampton. The parish includes the hamlets of Poulner, Hangersley, Hightown, Crow, Kingston, and Bisterne. Ringwood is also the western gateway to the New Forest National Park, allowing the town to be an ideal touring base. Ringwood is well placed on the Avon Valley Path, a 34-mile long-distance walking route that takes you from the Cathedral city of Salisbury all the way to Christchurch Priory on the South Coast. The main road through Ringwood is the A31, which runs west to Dorchester and east to Southampton via the New Forest. A bypass of the town was completed in two stages, the first to the west in the 1940s and the second to the east in 1975. The other significant road is the A338, which goes north to Salisbury and south to Bournemouth.
4. A map of the parish, which aligns with the designated NA, appears in Figure 2-1.
5. Data for Ringwood parish was captured in the 2011 Census. Up-to-date population estimates can also be obtained for parishes. However, for other datasets including the 2001 Census, the parish needs to be recreated using statistical units called Output Areas (OAs) and their higher-order equivalents.
6. The NA can be recreated using the following one MSOA (Middle Layer Super Output Areas), four LSOAs (Lower Super Output Areas) and two OAs:
  - New Forest 012 (MSOA)
  - E01023066 (LSOA)
  - E01023062 (LSOA)
  - E01023064 (LSOA)
  - E01023067 (LSOA)
  - 24UJHP0005 (OA)
  - 24UJHP0002 (OA)
7. The statistics show that in the 2011 Census the NA had a total of 14,181 residents, formed into 6,034 households and occupying 6,210 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Ringwood is 14,610 – indicating population

growth of around 429 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

8. In relation to the total number of homes within Ringwood, the LPA have provided figures on the number of new homes completed in the plan area since 2011. The total as of September 2021 is 384. Accordingly, this brings the total number of homes in Ringwood at present to 6,594 (this figure was calculated from adding the 2011 Census figure of 6210 + 384).
9. Importantly, another source of data on the current stock of housing is the Valuation Office Agency (VOA). This data is only provided down to the level of LSOAs, and so in the case of Ringwood can only be interrogated for the 1 MSOA and 4 LSOAs that comprise the NA boundary. Therefore the 2 additional OAs must be excluded. The 2021 VOA data for the combined area is 6,450 dwellings. This aligns with the estimate above, with the small difference accounted for by the OAs that needed to be excluded.
10. Because of the higher accuracy of the Census + completions total (as compared with VOA data), this is the approach that is taken forward when looking at the dwelling stock within this report. Nevertheless, it is important to be aware of the various data sources used throughout this report.
11. The information above can also be used to verify the population estimates for Ringwood. Given that at the time of the Census there was an average of 2.35 people living in each household group in Ringwood, we can estimate that the 384 new homes may be accommodating roughly 902 additional people.
12. 902 is a higher than the estimated growth of 429 from the ONS data, but at a similar scale. Given that the Census data is based on assumptions and projections at a larger scale, combining the 2011 population of 14,181 with this estimate of 902 residents gives a more reliable current total of 15,083. Again, it is important to understand how data can be used and combined to gain information and thus, posit recommendations for the NA based off the data.
13. A map of the Plan area appears in Figure 2-1.

**Figure 2-1: Map of the Ringwood Neighbourhood Area<sup>1</sup>**



Source: NFDC: Ringwood Neighbourhood Plan

<sup>1</sup> Available [here](#).

## Planning policy context

14. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>2</sup> In the case of Ringwood, the relevant adopted Local Plan and policies for New Forest District Council consists of:
- Local Plan 2016-2036 Part One: Planning Strategy (2020)
  - Local Plan Part 2: Sites and Development Management (2014)
  - Core Strategy (2009)
  - New Forest District Local Plan First Alteration (2005)
15. The Local Plan sets out a vision for the district and identifies the land and infrastructure which will be required in relation to housing, the economy, community facilities and infrastructure. It also includes policies to protect and enhance the natural and historic environment, and to secure good design. Importantly, the Local Plan is the legal basis for deciding planning applications and all local authorities with planning powers are required to prepare a Local Plan.
16. The Local Plan 2016-2036 Part One: Planning Strategy for New Forest District (outside of the National Park) was formally adopted by New Forest District Council on 6th July 2020. The Local Plan Part 1: Core Strategy, adopted in 2009, and parts of The Local Plan Part 2: Sites and Development Management were also adopted in 2014.
17. The Local Plan 2016-2036 Part One: Planning Strategy, sets out strategic policies, including Strategic Site Allocations capable of accommodating 100 or more homes. It replaces and updates parts of the adopted Core Strategy (2009), and a small number of the more strategic policies in the Local Plan Part 2: Sites and Development Management adopted in 2014. The remaining policies of the adopted Core Strategy (2009) and Local Plan Part 2 (2014) are either saved for continued use pending review as part of the Local Plan Review 2016-2036 Part Two or are deleted. More information on this can be found in Appendix A of the Local Plan 2016-2036 Part One: Planning Strategy (2020).
18. The Local Plan Review 2016-2036 Part Two will focus mainly on development management and other matters of policy detail, on allocations for smaller sites, and the review of the remaining saved planning policies including saved site allocations.
19. The Local Plan Part One provides the strategic context for Neighbourhood Planning. Neighbourhood Plans must be in general conformity with the strategic policies in the Development Plan. Where Neighbourhood Plans are being prepared, the Local Plan Part Two will be tailored so as not to duplicate work communities have committed to undertake, whilst ensuring that all necessary matters are addressed in a consistent and timely manner.
20. Within the District there is a need to provide at least 10,420 additional homes within the Plan Area during 2016-2036 to help meet the needs of the District within the Southampton, Bournemouth and Salisbury housing market areas, directing larger scale provision to the main towns and larger villages. Moreover, due to increasing house prices there is a need to provide a range and choice of good quality new homes by type, size, tenure and location. To ensure that new housing provision as far as possible addresses local housing needs, key delivery streams include more affordable options for younger households, a wider spectrum of home types, and products enabling older residents to continue to live well and remain independent in their New Forest communities.

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<sup>2</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

## Policies in the adopted local plan

21. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Ringwood.

**Table 2-1: Summary of relevant adopted policies in the Local Plan 2016-2036 part 1: Planning strategy**

Policy	Provisions																
HOU1: Housing type, tenure, size and choice	<p>The strategy is to ensure that all residential development helps to address the diversity of housing needs of local people at all stages of life by providing a mix and choice of homes by type, size, tenure and cost.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>1-2 bed</th> <th>3 bed</th> <th>4+ bed</th> </tr> </thead> <tbody> <tr> <td>Affordable rental homes</td> <td>60-70%</td> <td>25-30%</td> <td>5-10%</td> </tr> <tr> <td>Affordable home ownership</td> <td>55-65%</td> <td>30-35%</td> <td>5-10%</td> </tr> <tr> <td>Market homes</td> <td>30-40%</td> <td>40-45%</td> <td>20-25%</td> </tr> </tbody> </table> <p>Provision of more, smaller homes will help to meet the needs of newly forming households, including those not eligible for Affordable Housing. Smaller homes should be designed to be affordable and to meet the needs of newly forming households, or to be attractive to 'down-sizers' when they no longer need their family home (see Policy HOU3: Residential accommodation for older people). Provision of smaller homes could also include homes designed for private rent in appropriate locations, as private rented homes play an important role in meeting needs for lower cost market housing for lower income residents who are unlikely to qualify for Affordable Housing and are unable to purchase a home.</p>		1-2 bed	3 bed	4+ bed	Affordable rental homes	60-70%	25-30%	5-10%	Affordable home ownership	55-65%	30-35%	5-10%	Market homes	30-40%	40-45%	20-25%
	1-2 bed	3 bed	4+ bed														
Affordable rental homes	60-70%	25-30%	5-10%														
Affordable home ownership	55-65%	30-35%	5-10%														
Market homes	30-40%	40-45%	20-25%														
HOU2: Affordable Housing	<p>There is a requirement for all new developments of 11 or more dwellings, or of more than 1,000 sqm gross internal area of residential floorspace, to provide Affordable Housing as follows:</p> <ol style="list-style-type: none"> <li>1. In Totton and the Waterside area, the target is for 35% of new homes to be Affordable Housing.</li> <li>2. In the rest of the Plan Area, the target is for 50% of new homes to be Affordable Housing (this area includes Ringwood).</li> <li>3. The tenure mix target is to provide 70% of affordable homes for rent, split equally between social and affordable rent, and 30% intermediate or affordable home ownership tenures including shared ownership.</li> <li>4. Affordable Housing provided should be indistinguishable in appearance from the market housing on site, and distributed evenly across the site.</li> </ol> <p>The viability of development will be taken into account in applying this policy as set out in Policy IMPL1: Developer contributions.</p> <p>It is anticipated that most intermediate/affordable home ownership products will be in the form of shared ownership housing, especially in higher value areas. Discounted or low-cost home ownership products will be accepted as Affordable Housing if a lower quartile income household could afford to purchase the home at the offered price with a 10% deposit and a mortgage of four times household income. 'Starter homes' at a discount to market value are unlikely to qualify as Affordable Housing, but can assist in meeting demand for entry level market housing.</p>																
HOU3: Residential accommodation for older people	<p>The strategy is to enable older people to continue to live independently by:</p> <ul style="list-style-type: none"> <li>• Taking a positive and flexible approach to the adaption of homes where it would enable the occupier to continue to live independently, or for the occupier to accommodate a friend or family member requiring care;</li> <li>• Ensuring that new homes are built to standards that are capable of adaption to meet the future needs of older people and others with care needs; and</li> </ul> <p>Ensuring that new housing provision includes housing types designed to be suitable for older people.</p>																

Policy	Provisions
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HOU5: Rural Housing Exception Sites and Community Led Housing Schemes	New residential development will only be permitted on suitable sites outside the defined settlement boundaries where it is to meet an identified need of local people for Affordable Housing to meet local needs which cannot be provided in any other way.
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The Council will support and encourage housing, and other ancillary or related development proposed alongside housing, by a qualifying Community-led Housing group on land it owns or controls, where the development has the support of the local community and is proposed to meet the identified local needs of the community it relates to.

Policy STR5: Meeting our housing need	The target is to provide at least 10,420 additional homes in the Plan Area for the Plan period 2016-2036, phased as follows:
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- Approximately 1,500 homes (averaging 300 homes per annum) 2016-17 to 2020-21
- Approximately 2,000 homes (averaging 400 homes per annum) 2021-22 to 2025-26
- Approximately 7,000 homes (averaging 700 homes per annum) 2026-27 to 2035-36

Provision will comprise:

1. At least 6,000 homes on Strategic Site Allocations set out in Figure 4.1, in accordance with Strategic Site Allocation Policies SS1 – SS18.
2. At least 800 homes on sites of 10 or more homes to be identified within or adjoining the defined towns and large villages and allocated in the Local Plan Part Two or in Neighbourhood Plans, which may include sites of 100 or more homes provided that they are within the settlement boundary, to include:
  - i) Around 200 homes on sites to be identified in Lymington and Pennington;
  - ii) Around 200 homes on sites to be identified in New Milton Neighbourhood; and
  - iii) Around 400 homes on sites to be identified in other towns and large villages.
3. Existing commitments of approximately 2,755 homes, including saved site allocation policies<sup>19</sup> from the previous Local Plan Part 2; and
4. An estimated 924 homes on small developments of 1-9 homes reflecting past trends, and developments on Affordable Housing exception sites in suitable locations in the smaller villages to meet local need for affordable and low cost housing for local people in accordance with Policy HOU5: Rural housing exceptions sites and community-led housing schemes

Source: Local Plan 2016-2036 part 1: Planning strategy

22. Within the Local Plan 2016-2036 part 1: Planning strategy, Policy STR4 sets out the settlement hierarchy within the towns of New Forest. Ringwood falls under the largest category, 'Towns'. Which are the most sustainable locations for large-scale residential, retail, leisure, cultural and business development to improve their self-containment and to support and consolidate their local service offer.

23. There are also strategic sites within the plan. For example, Site 13: Land at Moortown Lane, Ringwood is allocated for residential-led development and will comprise the following:

- At least 480 new homes and public open space dependent on the form, size and mix of housing provided.
- Retention of about two hectares of allocated employment land adjoining Crow Arch Lane Industrial Estate in the north west corner of the site.
- Provision of land for a minimum of 15 full size allotment plots within the site in order to provide for local needs arising from the development and in the wider community.

24. Furthermore, Strategic Site 14: Land to the north of Hightown Road, Ringwood is allocated for residential-led mixed use development and will comprise the following:

- Residential development of at least 270 new homes and public open space dependent on the form, size and mix of housing provided.
- Around three hectares of employment land.

25. Although this strategic site is not within the NA, it is important to be aware of its designation. Strategic Site 15: Land at Snails Lane, Ringwood is allocated for residential development of at least 100 new homes and open space, dependent on the form, size and mix of housing provided.

## Quantity of housing to provide

26. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

27. New Forest District Council has fulfilled that requirement by providing Ringwood with an indicative figure of 1,300 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.<sup>3</sup> There is a need to identify further sites across the whole of the New Forest District Council area (on non-strategic sites). Some of these may need to be in Ringwood. The distribution of the remaining housing requirement is a matter to be considered in Part 2 of the Local Plan which the Council is currently working on. At present, New Forest District Council is undertaking a 'Call for Sites' (see: <https://newforest.gov.uk/article/2766/Call-for-Sites>).

28. Furthermore, data from the LPA on future dwelling commitments, have given a figure of 810 dwellings<sup>4</sup>. This suggests that a large proportion of the target is already allocated or underway. This is outlined below:

- SS13 Land at Moortown Lane, Ringwood: at least 480 dwellings.
- SS14 Land north of Hightown Road, Ringwood: at least 270 dwellings.
- Small Sites with Planning Permission: 27 dwellings.
- Permissioned Site (17/11358) for 60-bedroom Care Home at RING3 Land west of Crow Lane, Ringwood (number of dwellings calculated using a 1.83 ratio): 33 dwellings.

## The OAN findings

29. The OAN for the LPA was published in 2017 and hence, provides a more up to date and accurate assessment of the Housing need and growth targets within the local area. An overview of the Affordable Housing needs model, which was used within the OAN, can be seen below. However, this will only give an overview of the New Forest District Council as a whole and thus, is useful for context.

30. The OAN provides demographic evidence of housing need and trend-based projections. Such projections are critical to the OAN process and this is emphasised in the NPPF (para 158) which states that local planning authorities should identify the scale of housing which 'meets household and population projections, taking account of migration and demographic change'.

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<sup>3</sup> As confirmed in an e-mail from the Service Manager (Policy and Strategy) at New Forest District Council (September 2021)

<sup>4</sup> As confirmed in an e-mail from the Service Manager (Policy and Strategy) at New Forest District Council (November 2021)



31. Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products. There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. Local factors include:

- Quality of place and neighbourhood character;
- School performance and the catchments of good schools;
- The accessibility of areas including to employment centres (with transport links being an important component of this); and
- The existing housing market and local market conditions.

32. The starting point for assessing housing need in line with the PPG is the most recent official household projections; these are the 2014-based DLUHC projections which suggest a need for around 712 dwellings per annum to be provided (2016-36) across the New Forest District. These projections were underpinned by the most recent ONS subnational population projections (SNPP – also 2014-based). There are significant doubts about the validity of the 2014-based SNPP with future population growth and migration being projected to be substantially above past trends (regardless of whether long- or short-term trends are considered).

33. Given issues with the SNPP, alternative projections based on past trends in population growth were developed (including more up-to-date information from ONS mid-year population estimates to 2016). The housing need linked to 10-year population trends is for 509 dwellings per annum (2016-36) and is considered sound when looking at the link between trends and the projection. Other sensitivity scenarios developed show levels of need either slightly above or below this figure. Additionally, it was observed that the levels of migration which will feed into the next set of ONS projections (2016-based) are lower than feeding into the 2014-based version. New projections are therefore likely to show a (potentially substantially) lower level of need than the current ‘official’ figures.

34. Overall, the analysis identifies a demographic based need for 509 dwellings per annum. Whilst this is lower than the start point (as set out in the PPG), it is considered realistic once the link between past trends and the projection is properly understood. In the case of New Forest District, the latest official projections do not look to be fit for purpose.

<b>Figure 2.8: Projected housing need by area – 10-year population trends scenario</b>					
	Households 2016	Households 2036	Change in households	Per annum	Dwellings (per annum)
NFD outside NP	65,052	73,821	8,769	438	453
NFD within NP	13,987	15,042	1,055	53	56
<b>NFD total</b>	<b>79,039</b>	<b>88,863</b>	<b>9,824</b>	<b>491</b>	<b>509</b>
NP outside District	1,048	1,030	-18	-1	-1
<b>NP total</b>	<b>15,035</b>	<b>16,072</b>	<b>1,037</b>	<b>52</b>	<b>55</b>
<b>Study area</b>	<b>80,086</b>	<b>89,893</b>	<b>9,806</b>	<b>490</b>	<b>508</b>

Source: Demographic projections (NFD=New Forest District, NP=National Park)



## 3. Approach

### Research Questions

35. The following research questions were formulated at the outset of the research through discussion with the Ringwood Neighbourhood Plan Housing Team. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

36. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

37. This evidence will allow Ringwood to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

38. The QB are seeking an HNA to determine the quantum, type and tenure of Affordable Housing required. On these grounds the QB is eligible for support under the Discounted Housing element of the programme.

39. The neighbourhood plan is interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

***RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

### Type and Size

40. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. This will help shape future development so that it better reflects what residents need. It will consider, for example, the need for one and two bed houses for first time buyers, allowing them to get onto the property ladder.

41. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

42. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

43. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of

which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Relevant Data

44. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- South Hampshire Strategic Housing Market Assessment
- New Forest District Council & the New Forest National Park Authority: Objectively Assessed Housing Need (OAN)

45. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

## 4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

***RQ 1: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

46. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
47. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (July 2021). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
48. The definition of Affordable Housing set out in the NPPF July 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>5</sup>
49. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
  - Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;

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<sup>5</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents;
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

## Current tenure profile

50. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

51. Table 4-1 and 4-2 present data on tenure in Ringwood compared to New Forest and England from the 2011 Census, which is the most recent available source of this information. Overall, in 2011, Ringwood and New Forest have similar values throughout, with a difference of only +/-3% for each tenure. The low rate of social rented accommodation compared with the national average is, however, a potential challenge for local people on the lowest incomes. As aforementioned, there have been approximately 384 new homes built within the NA since 2011. Approximately, 25% were in affordable tenures. This equates to approximately 96 affordable homes built since 2011. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Ringwood the private rented sector expanded by 152.6% in that period, significantly higher than the national average and also 41.9 percentage points higher than that of New Forest. It is also important to state that the total of private owned dwellings decreased by 4.3% from 2001-2011, meaning fewer people are able to afford their own homes.

**Table 4-1: Tenure (households) in Ringwood, 2011**

Tenure	Ringwood	New Forest	England
Owned; total	72.4%	75.0%	63.3%
Shared ownership	0.8%	0.6%	0.8%
Social rented; total	10.8%	11.0%	17.7%
Private rented; total	15.1%	12.1%	16.8%

Sources: Census 2011, AECOM Calculations

**Table 4-2: Rates of tenure change in the NA, 2001-2011**

Tenure	Ringwood	New Forest	England
Owned; total	-4.3%	-0.2%	-0.6%
Shared ownership	40.0%	56.6%	30.0%
Social rented; total	10.5%	15.8%	-0.9%
Private rented; total	152.6%	110.8%	82.4%

Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

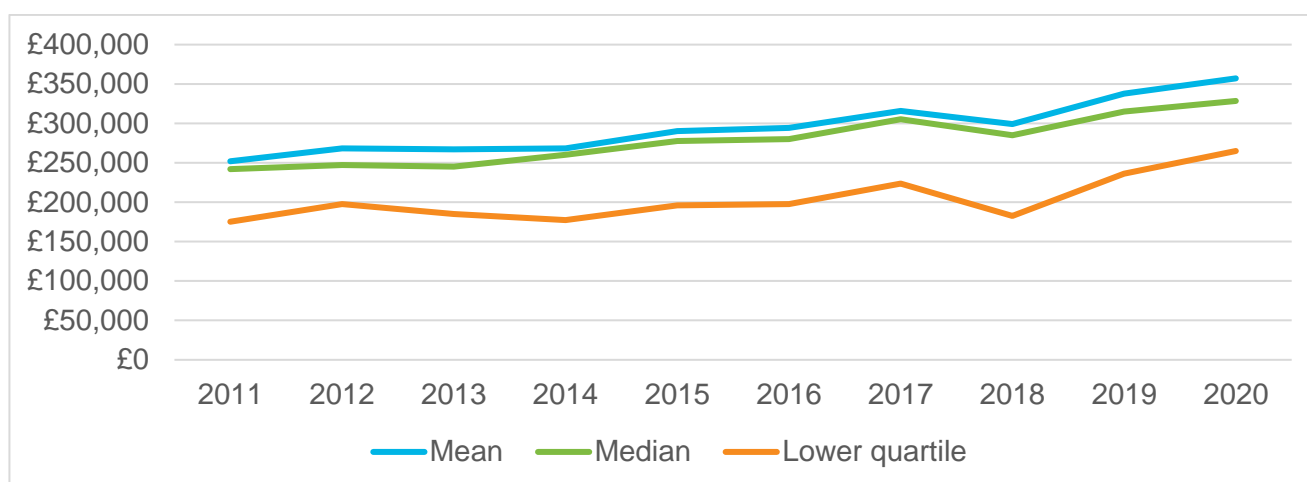
52. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

53. Figure 4-1 looks at selected measures of house prices in Ringwood. It is clear that there is an upward trajectory overall, despite fluctuations year-on-year.

54. The median (50% cheapest) and lower quartile (25% cheapest) average prices in Ringwood are currently £328,500 and £265,000 respectively. The median price in 2020 was £86,500 higher than in 2011 (35.7% growth), and the equivalent increase for the lower quartile was £89,750 (51.2% growth). This means that even to afford one of the least expensive homes in Ringwood, a prospective buyer would need to find a very large additional deposit or to be earning around double than they would have needed to in 2011 to afford the substantial additional mortgage costs. The price of entry-level housing has risen faster than that of housing generally, presenting a potentially immense challenge for those with lower incomes or without equity in an existing home who wish to buy locally.

55. Looking at the mean, it is clear from the data that there has been a drastic increase in house prices within Ringwood since 2011. In 2011 the mean house price was £251,983 and in 2020 it was £357,145, this represents an increase of 41.7%, which equates to £105,162. This again highlights the rising cost of house prices within Ringwood.

**Figure 4-1: House prices by quartile in Ringwood, 2011-2020**



Source: Land Registry PPD

56. Table 4-3 below breaks down house prices in Ringwood by type. It shows that there is a clear distinction between detached housing, the middle of the market (represented by semi-detached and terraced homes) and much less expensive flats which also fluctuate more year-to-year (due to the smaller sample size upon which the average is based rather than changing values). Table 4-3 shows that terraced housing has seen the largest increase in property value since 2011 by 51.9%, from £218,230 to £331,423.

**Table 4-3: House prices by type in Ringwood, 2011-2020**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£347,706	£349,982	£372,869	£366,008	£395,067	£412,379	£445,094	£426,853	£460,386	£437,625	25.9%
Semi-detached	£269,824	£257,971	£250,685	£283,066	£289,533	£317,875	£309,203	£320,271	£357,692	£392,760	45.6%
Terraced	£218,230	£217,831	£246,287	£228,343	£236,924	£258,727	£294,896	£328,793	£279,500	£331,423	51.9%
Flats	£145,402	£162,240	£142,393	£153,021	£193,429	£188,265	£206,879	£177,998	£185,165	£192,266	32.2%
<b>All Types</b>	<b>£251,983</b>	<b>£268,386</b>	<b>£266,928</b>	<b>£268,422</b>	<b>£290,085</b>	<b>£294,432</b>	<b>£315,733</b>	<b>£299,115</b>	<b>£337,727</b>	<b>£357,145</b>	<b>41.7%</b>

Source: Land Registry PPD

## Income

57. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for Affordable Housing products. Two sources of data are used to examine household incomes in the NA.

58. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £38,900 in 2019 (the latest year for which data is available). A map of the area to which this data applies is provided in Appendix A.

59. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. New Forest's

gross individual lower quartile annual earnings were £12,064 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £24,128.

60. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only. It is important to state that were will be those who will earn well over the average salary for the NA and therefore, will be able to afford home ownership from open market housing. However, within this report, we focus on those who earn at or below the average and may therefore require assistance for home ownership and rent within the NA.

## **Affordability Thresholds**

61. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

62. AECOM has determined thresholds for the income required in Ringwood to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.

63. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.

64. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

65. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-4: Affordability thresholds in Ringwood (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £38,900	Affordable on LQ earnings (single earner)? £12,064	Affordable on LQ earnings (2 earners)? £24,128
<b>Market Housing</b>						
Median House Price	£303,750	-	<b>£86,786</b>	No	No	No
LA New Build Mean House Price	£389,292	-	<b>£111,226</b>	No	No	No
LQ/Entry-level House Price	£238,500	-	<b>£68,143</b>	No	No	No
Average Market Rent	-	£11,304	<b>£37,680</b>	Yes	No	No
Entry-level Market Rent	-	£10,716	<b>£35,720</b>	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£212,625	-	<b>£60,750</b>	No	No	No
First Homes (-40%)	£182,250	-	<b>£52,071</b>	No	No	No
First Homes (-50%)	£151,875	-	<b>£43,393</b>	No	No	No
Shared Ownership (50%)	£151,875	£4,219	<b>£57,455</b>	No	No	No
Shared Ownership (25%)	£75,938	£6,328	<b>£42,790</b>	No	No	No
Shared Ownership (10%)	£30,375	£7,594	<b>£33,991</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£7,354	<b>£29,415</b>	Yes	No	No
Social Rent	-	£6,009	<b>£24,036</b>	Yes	No	Yes

Source: AECOM Calculations

66. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being ‘affordable’ or ‘not affordable’ for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

### Market housing for purchase and rent

67. In regard to housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-large homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher-than-average income, is likely to remain out of reach to most. The median house price would require an annual income of £86,786. This is over twice that of the current average, which is currently at £38,900. Accordingly, purchasing a house on the private market is currently unattainable for many living within the area.

68. Private renting is generally only affordable to average earners (those currently on £38,900 and above). Households made up of one and two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals’ circumstances. Hence,



for those on lower incomes, private renting is either unaffordable or can diminish their quality of life.

69. Furthermore, as seen in Figure 4-3 on the upcoming pages, it is important to be aware of local research and data collected and how it impacts our research. The data given is explained within paragraph 82, but offers alternative viewpoints of locals living within the NA. For instance, for an average market home, of around £300k, 54.3% of respondents seem to be able to afford this, according to the survey data. Additional information and local research can be viewed within paragraph 82.

### **Affordable home ownership**

70. There is a relatively large group of households in Ringwood who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,000 per year (at which point entry-level rents become affordable) and £69,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

71. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Plan making bodies (LPA and QB) have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

72. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. For each level (30%, 40% and 50%) it is not possible for average earning households to access First Homes at the price points assumed here, even with a 50% discount. From the affordable home ownership section, the only viable option for any income level, is for shared ownership (10%). This would require an income of £33,991 with a mortgage value of £30,375.

73. Table 4-5: Discount on sale price required for households to afford First Homes shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to precisely estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

74. It remains clear that the maximum discount level of 50% is generally necessary to bring First Homes (nearly) within reach of average earners. As such, this is recommended as the discount level most appropriate to local needs, despite the fact that First Homes will primarily serve those on higher than average earnings rather than their intended target market.

**Table 4-5: Discount on sale price required for households to afford First Homes**

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	55%	86%	72%
LA New build mean house price	65%	89%	78%
NA Entry-level house price	43%	82%	65%

Source: Land Registry PPD; ONS MSOA total household income

75. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>6</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

76. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.

77. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.

78. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

<sup>6</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

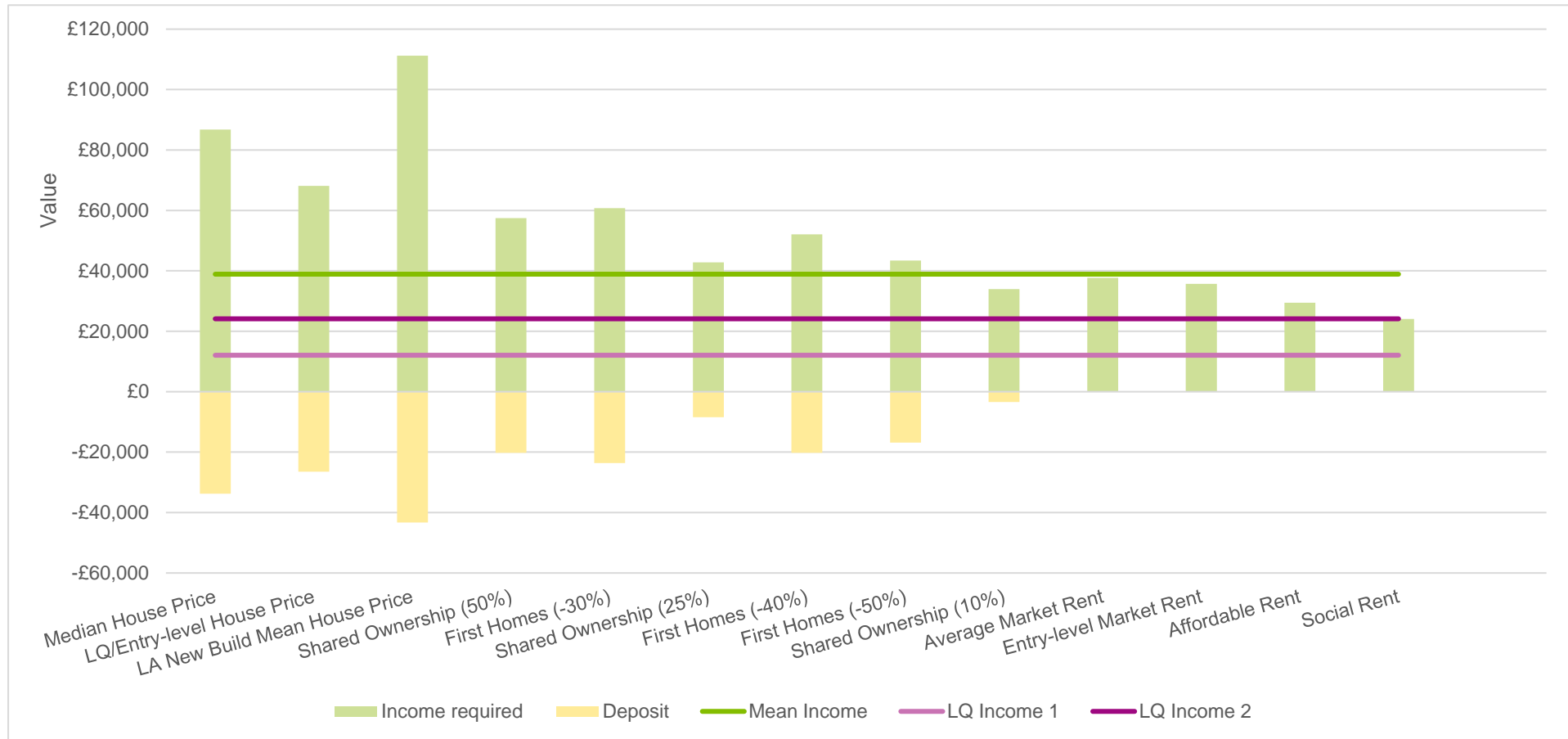
79. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. Nevertheless, within Ringwood, the only affordable home ownership scheme is shared ownership at 10%, for those on average incomes.

### **Affordable rented housing**

80. Affordable rented housing is generally unaffordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). Furthermore, households with a single lower earner appear unable, still, to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

81. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Ringwood as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

**Figure 4-2: Affordability thresholds in Ringwood, income required**

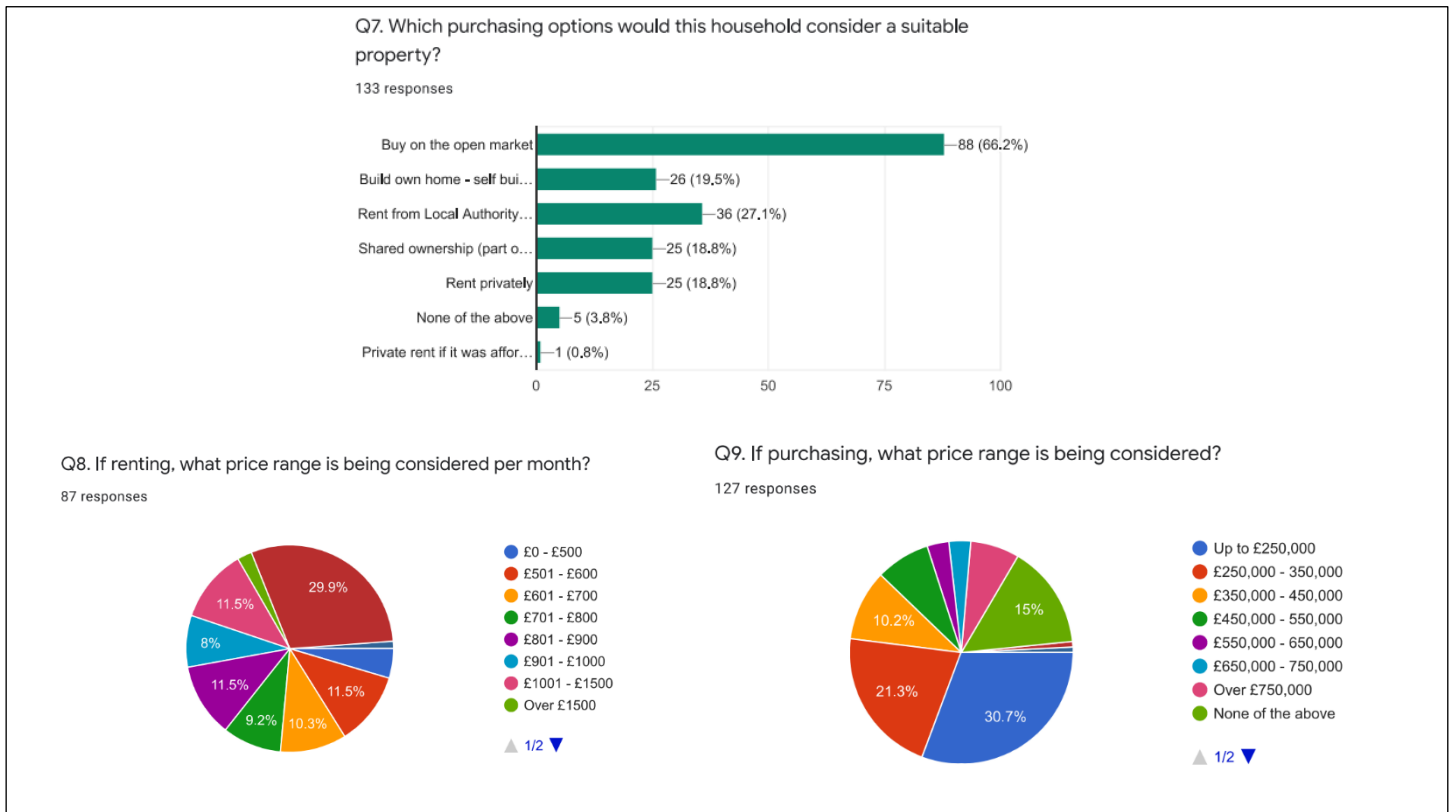


Source: AECOM Calculations

### Survey Results

82. Figure 4-3 below highlights data acquired from the Ringwood Neighbourhood Plan Housing Team which can give AECOM an insight into housing types within the area, people’s views on housing, affordability and need. Question 7 within their questionnaire seeks to gather responses from those living in the NA on purchasing options. It is clear that 66.2% want to be able to buy their homes on the open market and hence, reach home ownership.

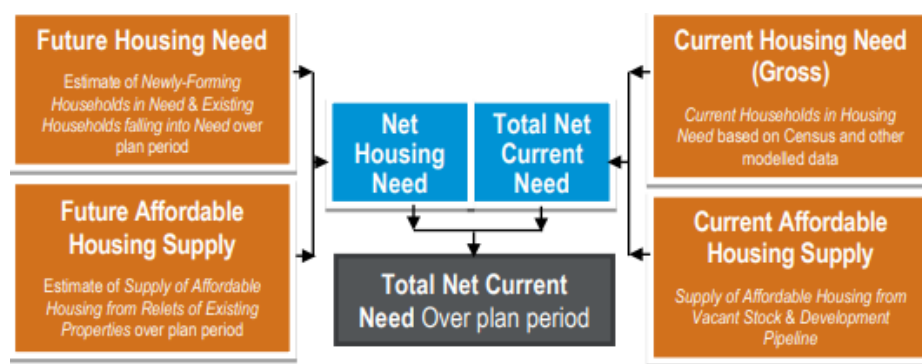
83. Looking towards renting figures, it is clear that the majority of those surveyed (29.9%) need rent prices within Ringwood to be between £501 and £600. Following this, for house prices on the open market, Figure 4-3 suggests that the majority surveyed in Ringwood (30.7%) can only consider purchasing homes with a maximum price of 250,000. This data gives us an up-to-date insight into people’s views and budgets when it comes to home ownership and renting within Ringwood. Accordingly, these figures will be considered in the conclusions made within this report.



**Figure 4-3: Local NA data on purchasing options**

## Affordable Housing- quantity needed

84. The starting point for understanding the need for Affordable Housing in Ringwood is found in the South Hampshire Strategic Housing Market Assessment (SHMA) and New Forest District Council & the New Forest National Park Authority Objectively Assessed Housing Need (OAN). The SHMA defines two housing market areas (HMAs) which cover the majority of the PUSH SubRegion, with the Isle of Wight functioning as its own separate housing market area. The report defines a Southampton-focused (PUSH West) Housing Market Area; and a Portsmouth-focused (PUSH East) Housing Market Area and was published in 2014. Furthermore, the OAN for the LPA was published in 2017 and hence, provides a more up to date and accurate assessment of the Affordable Housing need within the local area. An overview of the Affordable Housing needs model, which was used within the OAN, can be seen below.



**Figure 4-4: Overview of AH model**

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
New Forest District	72	461	187	721	293	428

**Table 4-6: Estimated Need for Affordable Housing (per annum) for the New Forest District**

Source: New Forest District Council & the New Forest National Park Authority Objectively Assessed Housing Need (OAN)

85. The OAN identifies the Net Need for 428 affordable homes each year in New Forest District Council Area as a whole (Table 4-6). This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.

86. The OAN figures relate to the whole New Forest District area. Therefore, the percentage of the population of New Forest District who live in Ringwood can be used to calculate the rough scale of Ringwood's net Affordable Housing need.

87. Accordingly, based on its fair share of the population (8.04% of the LPA's population based on the 2011 Census), this equates to 34 homes per annum (predominately for social/affordable rent) or 442 homes over the Neighbourhood Plan period (2023 to 2036). However, pro-rating District level estimates of Affordable Housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Ringwood in this way.
88. As an alternative in Table 4-7 below we have calculated, using PPG as a starting point,<sup>7</sup> an estimate of the total need for affordable rented housing in Ringwood over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level Affordable Housing need.
89. The District operates a Choice Based Lettings system, with a new Allocations Policy implemented in January 2020. Data was supplied by NFDC, which gives a current insight into the demand for housing within the area. NFDC has stated that, of November 2021, there are 156 households on the District Council's Housing Register that have identified Ringwood as their area of First Choice. A further 44 households identify Ringwood as their second-choice area. Nevertheless, it is important to remember that the data above provides only a snapshot of households on the Council's Housing Register who are primarily in need of forms of affordable rented housing, it does not necessarily reflect the full extent of Affordable Housing need in the area.
90. Finally, NFDC stated that there was a total of 73 affordable/social rented housing re-lets over the last 12 months across the District, but there were none in the Ringwood area during this time. This is a useful indicator of how many units tend to come vacant in a given year, thus freeing up a home to satisfy the needs of another household on the register. However, that there were no re-lets in Ringwood in the past year is not a reliable indicator of what may happen in future because it represents a sample of just one year (and an unusual year at that, affected by the Covid-19 pandemic).
91. Table 4-7 uses need figures for the District as a whole and again calculates Ringwood's share based on population statistics. This is done because the above figures from NFDC only reveal the households who have a preference for Ringwood

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<sup>7</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

rather than those who currently live in the parish or have an established local connection. It suggests that there are currently about 231.6 households in Ringwood unable to access affordable rented homes suitable to their needs (which is, in any case, similar to the 200 who made the area their first or second choice). The table also suggests that, over the Plan period, 5 additional households in the Neighbourhood Area will fall into need per year, but up to 20 households might also be accommodated in existing social rented homes that come vacant (based on the assumption that 3% of the stock will turn over in a given year). The overall result is therefore a net need for 2.2 affordable rented homes per year or 29 over the period as a whole.

92. This result is far lower than the figure that results from calculating Ringwood's share of the wider District's needs, and much of this difference is attributable to the assumption that 20 homes will come vacant each year (which did not happen in 2020/21 when no homes came vacant). As such, it should be seen as a minimum or lower bound of a range, and it is recommended that Ringwood considers encouraging the delivery of affordable rented housing particularly early in the Plan period to address the large current backlog.

**Table 4-7: Estimate of need for Affordable Housing for rent in Ringwood**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	231.6	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA.
1.2 Per annum	17.8	1.1 divided by the plan period 2023-2036
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	352.5	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	18.4%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	686.00	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	251.1	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	64.8	Step 2.1 x Step 2.2.
2.4 Per annum	5.0	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	20.6	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM</b>		
Overall shortfall per annum	2.2	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the plan period	28.8	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

*Source: AECOM model, using Census 2011, English Housing Survey 2018, MHCLG 2018 based household projections and net additions to Affordable Housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.*



93. Turning now to Affordable Housing providing a route to home ownership, Table 4-8 below estimates the potential demand in Ringwood. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
94. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>8</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
95. The result of the calculation is 49.5 households per annum who may be interested in affordable home ownership (or 643.3 for the entirety of the Plan period).
96. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
97. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

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<sup>8</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-8: Estimate of the potential demand for Affordable Housing for sale in Ringwood**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	1111.7	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	22.6%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	251.1	Step 1.1 x Step 1.2.
1.4 Current need (households)	645.4	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>9</sup>
1.5 Per annum	49.6	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	352.5	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	11.1%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	39.3	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	3.0	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of Affordable Housing	63.7	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	3.2	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	49.5	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall (or surplus) over the plan period	643.3	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, MHCLG 2018 based household projections and net additions to Affordable Housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

98. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet Affordable Housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for Affordable Housing).

99. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

<sup>9</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

## Affordable Housing policy guidance

100. New Forest's adopted policy on this subject Policy HOU2: Affordable Housing, requires 50% of all new housing to be affordable. Given that Affordable Housing made up just 25.3% of new housing in Ringwood over the last decade according to New Forest's completions figures, it is understood that this target is not usually met on sites in the NA.
101. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
102. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the local plan. The tenure mix target is to provide 70% of affordable homes for rent, split equally between social and affordable rent, and 30% intermediate or affordable home ownership tenures including shared ownership.
103. New Forest's LDP also states that most intermediate/affordable home ownership products will be in the form of shared ownership housing, especially in higher value areas. Discounted or low-cost home ownership products will be accepted as Affordable Housing if a lower quartile income household could afford to purchase the home at the offered price with a 10% deposit and a mortgage of four times household income. 'Starter homes' at a discount to market value are unlikely to qualify as Affordable Housing but can assist in meeting demand for entry level market housing.
104. Furthermore, it states that Affordable Housing tenure mix flexibility will also be applied where a development is primarily providing a specialised form of housing such as build-for-rent or certain forms of older persons housing, where the provision of some forms or tenures of Affordable Housing would be incompatible with the nature or purpose of the development.
105. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Ringwood specifically.
106. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Ringwood requires at least 28.8 units of affordable rented housing (and potentially up to 428 if the district-wide needs are applied to Ringwood) and 643.3 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes, but because of the high home values in Ringwood affordable home ownership options appear to be less helpful to most local people.
- The relationship between these figures suggests that 4.3% of Affordable Housing should be rented and 95.7% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the

former expresses the identified need of a group with acute needs and no alternative options (and is also the lower end of a wide range); the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

- B. Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

If the Local Plan target of 50% were achieved on every site, up to around 650 affordable homes might be expected in the NA based on an overall expected delivery figure of 1,300. This, however, should be seen as a best-case scenario. If the majority of Ringwood's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 11 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still.

Indeed, if recent trends for Affordable Housing delivery in Ringwood persist, only around 25% of all new homes might be expected to be affordable, which translates into 325 homes within the 1,300 target. This is not sufficient to satisfy the total potential demand for Affordable Housing identified here. Subsequent sections of this report will refer to the range of 325-650 as the most realistic scenario for Affordable Housing delivery.

- C. Government policy (e.g., NPPF) requirements:** Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in New Forest, where 50% of all housing should be affordable, 20% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Ringwood would prejudice the provision of much needed affordable rented homes/ delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted Local Plan split of tenure mix target is to provide 70% of affordable homes for rent, split equally between social and affordable rent, and 30% intermediate or affordable home ownership tenures including shared ownership.
- E. First Homes policy:** The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social

or affordable rent if this was proposed to be more than 75% of Affordable Housing. However, this is not the case in the NFDC.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of Affordable Housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Ringwood:** Evidence suggests there is limited Affordable Housing (either to rent or for sale) within the NA at present. Currently, within Ringwood, there is 0.8% shared ownership and 10.8% social rent (2011 census). This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Ringwood and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

107. On the basis of the considerations above, Table 4-9 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

108. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, and the need to act

in a conservative manner in relation to affordable rented housing (for which the need could be much greater if turnover in the existing stock is lower than assumed here or if Ringwood is expected to meet a higher proportion of the wider District's needs). In this context, affordable rented tenures should be prioritised.

109. The Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally. However, from the analysis above, it is clear that there is significant potential demand for affordable home ownership, even if this is only affordable to average or higher than average earners. Taking into consideration points raised in A – J, it appears that there is an opportunity to provide a more equal balance between affordable ownership and renting. Accordingly, as shown in Table 4-9, we have recommended a split of 50% routes to home ownership and 50% Affordable Housing for rent. Within the 50% affordable ownership, there should also be a split of 25% first homes, 20% shared ownership and 5% rent to buy. Importantly, this split within the affordable home ownership is compliant within current government guidelines, such as First Homes and Rent to Buy.
110. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views and objectives of the community. For instance, it would be equally justified to take a more cautious approach and give greater emphasis to affordable rented housing in order to future-proof the stock, protect against the possibility of low turnover, and help to meet the wider District's needs. This also makes sense from an affordability perspective because affordable home ownership products are generally only accessible for higher earners. If this is the community's wish, it may be sensible to rely on the tenure mix set out in the Local Plan (70% affordable rent to 30% affordable ownership) rather than to specify a more equal balance in the Neighbourhood Plan.
111. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with New Forest to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
112. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of Affordable Housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

**Table 4-9: Indicative tenure split (Affordable Housing)**

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>50%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	20%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>50%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

*Source: AECOM calculations*

## Conclusions- Tenure and Affordability

113. To conclude, this chapter approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.

114. When looking at the current tenure profile, the key finding within Ringwood was that the private rented sector expanded by 152.6% from 2001-2011, this is higher than the national average and also 41.9 percentage points higher than that of New Forest. Data also showed that the total privately owned tenure was 72.4% in 2011. Whereas shared ownership accounted for 0.8% and the total social rented was 10.8%. Finally, private renting totalled 15.1%.

115. In relation to affordability, looking at the mean, it is clear from the data that there has been a drastic increase in house prices within Ringwood since 2011. In 2011 the mean house price was £251,983 and in 2020 it was £357,145. This has resulted in an increase of 41.7%, which equates to £105,162.

116. Then looking at affordability thresholds, the median house price would require an annual income of £86,786. This is over twice that of the current average, which is currently at £38,900. From the affordable home ownership sector, the only viable option for any income level is for shared ownership (10%). This would require an income of £33,991 with a mortgage value of £30,375.

117. In relation to the OAN, it identifies the need for 428 affordable homes each year within NFDC. This equates to 34 homes a year within Ringwood, as the NA makes up 8.04% of the LPA population. Within the Local Plan period, this equates to 442

affordable homes in Ringwood, between 2023-2036. Within our calculations we are aiming for 650 affordable homes within the NA.

118. Then, looking towards the policy, New Forest’s adopted policy on this subject Policy HOU2: Affordable Housing, requires 50% of all new housing to be affordable. Given that Affordable Housing made up just 25.3% of new housing in Ringwood over the last decade according to New Forest’s completions figures, it is understood that this target is not usually met on sites in the NA.
119. Accordingly, within the Affordable Housing that comes forward in future we have recommended a split of 50% routes to home ownership and 50% Affordable Housing for rent. Within the 50% affordable ownership, there could also be a split of 25% first homes, 20% shared ownership and 5% rent to buy. Importantly, this split within the affordable home ownership is compliant within current government guidelines, such as First Homes and Rent to Buy. This recommendation should be interpreted flexibly as there is an argument for a higher weighting on affordable rented products due to uncertainty about future rates of turnover, the need to meet a share of the District’s needs, and the fact that much affordable home ownership is only affordable to above average earners in Ringwood.
120. Table 4-10 below summarises Ringwood’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of Affordable Housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more Affordable Housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 4-10: Estimated delivery of Affordable Housing in Ringwood**

	<b>Step in Estimation</b>	<b>Expected delivery</b>
A	Provisional capacity figure	1,300
B	Affordable Housing quota (%) in LPA's Local Plan	50% (25% more realistic based on calculations)
C	Potential total Affordable Housing in NA (A x B)	325-650 (depending on delivery rates)
D	Rented % (e.g. social/ affordable rented)	50%
E	Rented number (C x D)	325
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	50%
G	Affordable home ownership number (C x F)	325

Source: AECOM estimate based on LPA's Affordable Housing policies, AECOM's indicative tenure mix



121. This level of delivery meets the approximate need of the overall affordable requirement identified in the previous estimates aforementioned (albeit a different tenure ratio).
122. Finally, a comment on Community Led Housing (CLH) may be of relevance to the NA as a means of delivering housing. A Community Led Housing (CLH) scheme is any project in which a group of local people play a leading role in addressing their own housing needs. Examples might include a cluster of sustainable homes that will remain affordable in perpetuity; a row of co-living bungalows for older people who share recreational facilities and on-site care; a community building offering spaces for culture, exercise or small businesses; or any other scheme brought about by the community for its own long-term benefit. The impetus can be economic (filling gaps in the provision the market is unable to provide), aspirational (doing something different and spurring positive social or environmental change), or a direct response to unique or underserved needs within the community. In addition to these tangible benefits, it is also a proven way to help local people feel more invested in their surroundings.
123. Though CLH is led by the community through a bottom-up approach. The feasibility of CLH therefore depends on the formation of interested groups together with the availability of appropriate sites, access to funding, and a combination of resident leadership and Council support for the formation of Community Land Trusts (CLTs) or similar bodies.
124. Neighbourhood Plans can be a particularly good way to identify sites, needs and local interest, so Neighbourhood Forums and Town and Parish Councils are also encouraged to consider options for local delivery and to spread awareness. Opportunities for collaboration between such groups and housing association enablers should also be explored where possible.

## 5. RQ 2: Type and Size

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

### Introduction

125. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Ringwood in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.

126. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

### Existing types and sizes

#### Background and definitions

127. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.

128. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.

129. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.

130. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a

dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

131. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. Generally, in Ringwood, because of the quality of data provided by NFDC and the fact that Valuation Office Agency (VOA) data is not available for a boundary that matches the NA exactly, the best approach is to add together the 2011 Census mix (in terms of type and size) and the profile of new homes delivered since then to arrive at an accurate current total. This allows for an up-to-date snapshot of the stock of housing but does have a weakness in that this method assumes dwellings have not changed since the 2011 Census. In fact, it is likely that some have been extended, subdivided, or demolished. However, this is unlikely to have affected a large number of properties. This method was only available to use for size data, as the data given by the LPA breaks down the completions by size and not type of house. Therefore, we could not use the LPA data within dwelling type calculations. Accordingly, Valuation Office Agency (VOA) must be used. Ultimately, the most appropriate combination of approaches is used in this section.

## Dwelling type

132. The data in Table 5-1 shows VOA 2020 data, giving the most accurate indication of property types within the area. It is clear that Ringwood has a mix of dwelling types that is skewed towards typically less dense and larger homes – i.e., a higher proportion of detached and semi-detached homes than the district and England and fewer of the other denser types. For instance, 22.6% of all homes are detached in Ringwood in 2020.

133. Terraces and flats are generally the most affordable home types. From the VOA 2020 data there is a lower proportion of terraces and flats at 15.7% and 17.2% respectively. The low percentage of these more affordable homes can be an issue for those in the local area who are on lower incomes and want to get onto the property ladder.

134. Within Ringwood, there is also a high percentage of Bungalows at 18.6%, as shown in Table 5-1. Although it is not necessarily a given that bungalows are completely accessible (e.g., for an occupant using a wheelchair), and flats can be equally suitable for people with mobility limitations, Ringwood's relatively high number of Bungalows may represent a compelling offering for older and disabled households that ties in with the demographic profile of the area.

**Table 5-1: Accommodation type, Ringwood, 2011 and 2020**

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	18.6%
Flat	12.3%	17.2%
Terrace	14.2%	15.7%
Semi-detached	26.6%	22.0%
Detached	41.4%	22.6%
Unknown/other	-	3.9%

Source: ONS 2011, VOA 2020, AECOM Calculations

135. Table 5-2 below shows the accommodation type within Ringwood, in comparison to New Forest (LPA) and England. It is evident that Ringwood has a high percentage of bungalows at 18.6%, compared to that of the National average at 9.4%. Conversely, Ringwood has a small percentage of terrace housing at 15.7%, compared to 26.4% of the national average. Furthermore, Ringwood has a high percentage of detached dwellings at 22.6% compared to England at 15.9%. Accordingly, this illustrates the high volume of larger, more expensive, properties within Ringwood.

**Table 5-2: Accommodation type, various geographies, 2020**

Dwelling type	Ringwood	New Forest	England
Bungalow	18.6%	20.6%	9.4%
Flat	17.2%	14.4%	23.0%
Terrace	15.7%	16.6%	26.4%
Semi-detached	22.0%	18.3%	23.8%
Detached	22.6%	26.9%	15.9%
Unknown/other	3.9%	3.1%	1.4%

Source: VOA 2020, AECOM Calculations

## Dwelling size

136. Table 5-3 highlights the current mix of dwelling size by number of bedrooms within Ringwood. The table uses data from the 2011 census, combined with data received from NFDC to give a combined total of the current dwelling size mix within the NA.

137. Table 5-4 sets out the current mix of dwelling size by number of bedrooms in Ringwood, compared to that of New Forest and England.

138. The size mix in Ringwood aligns with the picture in terms of home types in that larger homes are over-represented compared with wider areas and there are correspondingly lower proportions of smaller homes. From the data, it is evident that Ringwood has a larger proportion of 4+ bedroom homes, compared to that of England, with 21.6% compared to 8.9%.

**Table 5-3: Dwelling size (bedrooms), Ringwood, 2011-2021**

Number of bedrooms	2011 (Census 2011)	Completions 2011-2021 mix (LPA 2021)	Combined Total
1 bedroom	605	91	696
2 bedrooms	1,576	146	1,722
3 bedrooms	2,495	100	2,595
4+ bedrooms	1345	47	1,392

**Table 5-4: Dwelling size (bedrooms), various geographies, 2020**

Number of bedrooms	Ringwood (Census+LPA data)	New Forest (VOA)	England (VOA)
1 bedroom	10.9%	8.1%	12.3%
2 bedrooms	26.9%	27.6%	28.1%
3 bedrooms	40.6%	44.9%	43.4%
4+ bedrooms	21.6%	19.2%	8.9%

Source: Census, VOA 2020, LPA AECOM Calculations

## Age and household composition

139. Having established the current stock profile of Ringwood and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

### Age structure

140. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The only increase within an age group is the 65-84 category, which increased from 19% to 22%, with all other age categories below this age bracket either remaining the same or decreasing in relative proportion. The increase in the population within Ringwood from 14,181 to 14,610 was predominantly within the 65-84 age group which increased from 2,687 in 2011 to 3,216 in 2019.

141. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

142. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

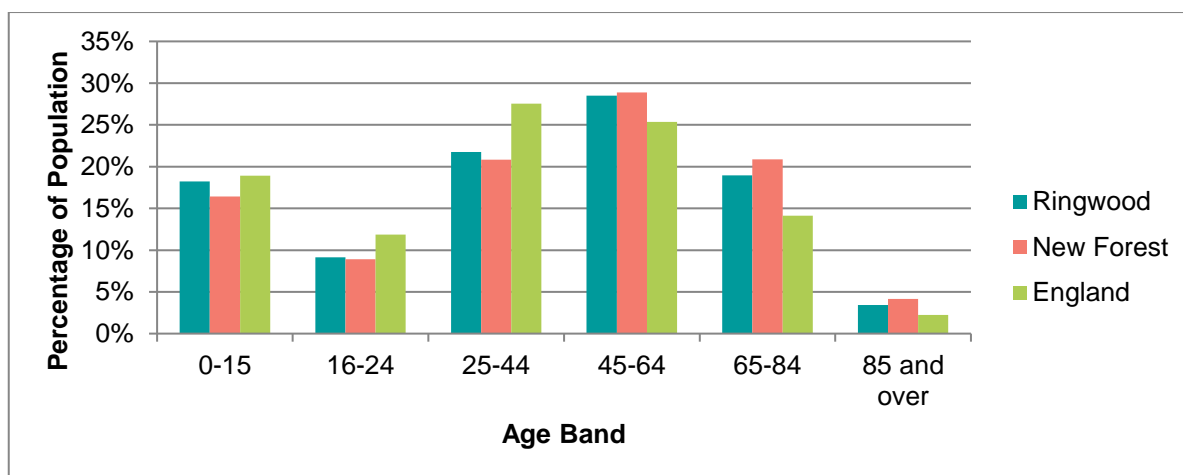
**Table 5-5: Age structure of Ringwood population, 2011 and 2019**

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	2,587	18.0%	2,631	18.0%
16-24	1,294	9.0%	1,280	8.8%
25-44	3,087	22.0%	2,891	19.8%
45-64	4,042	29.0%	3,981	27.2%
65-84	2,687	19.0%	3,216	22.0%
85 and over	484	3.0%	611	4.2%
<b>Total</b>	<b>14,181</b>		<b>14,610</b>	

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

143. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that Ringwood, as well as the LA (New Forest), has an older population compared to that of England. Furthermore, since 2011 this trend has only increased as illustrated above in Table 5-5.

**Figure 5-1: Age structure in Ringwood, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

144. Household composition (i.e., the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

145. Table 5-6 shows that in 2011 Ringwood had a similar proportion of one person households as the district average with 28.4% vs. 28.9%, a similar proportion of whom were aged over 65. Very few family households were aged over 65, with a clear majority of the younger families having dependent children than not. Furthermore, those one person households aged 65 and over, reduced in size by 13.1% between 2001 and 2011.

146. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. An increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is

quite old at this point, it is interesting to observe that this category grew by 6.6% between 2001 and 2011 in the parish.

**Table 5-6: Household composition, Ringwood, 2011**

Household composition		Ringwood	New Forest	England	Diff. 2001-2011 Ringwood
<b>One person household</b>	<b>Total</b>	28.4%	28.9%	30.2%	4.3%
	Aged 65 and over	15.2%	16.2%	12.4%	-13.1%
	Other	13.3%	12.7%	17.9%	35.4%
<b>One family only</b>	<b>Total</b>	66.3%	65.6%	61.8%	6.1%
	All aged 65 and over	11.8%	13.7%	8.1%	11.2%
	With no children	19.1%	19.9%	17.6%	1.1%
	With dependent children	26.1%	23.0%	26.5%	7.6%
	All children Non-Dependent <sup>10</sup>	9.1%	9.1%	9.6%	6.6%
<b>Other household types</b>	<b>Total</b>	5.3%	5.5%	8.0%	-2.1%

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

147. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

148. Across the NA, a combined total of just over 75% of households live in a home with at least one extra bedroom in 2011. With 39.0% living in a home with two or more extra bedrooms. Those living in homes with less bedrooms than they need is negligible at 2.1%. It is clear that those with the most extra bedrooms are predominately families under 65 with no children.

149. The previous chapter established the high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size.

**Table 5-7: Occupancy rating by age in Ringwood, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	58.0%	36.8%	5.2%	0.0%
Single person 65+	38.5%	38.3%	23.1%	0.0%
Family under 65 - no children	67.4%	26.1%	6.4%	0.0%
Family under 65 - dependent children	21.6%	42.5%	31.3%	4.6%
Family under 65 - adult children	24.1%	46.8%	26.7%	2.4%
Single person under 65	35.4%	33.4%	31.3%	0.0%
<b>All households</b>	<b>39.03%</b>	<b>36.66%</b>	<b>22.24%</b>	<b>2.07%</b>

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

<sup>10</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

## Dwelling mix determined by life-stage modelling

150. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Ringwood households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
  - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.



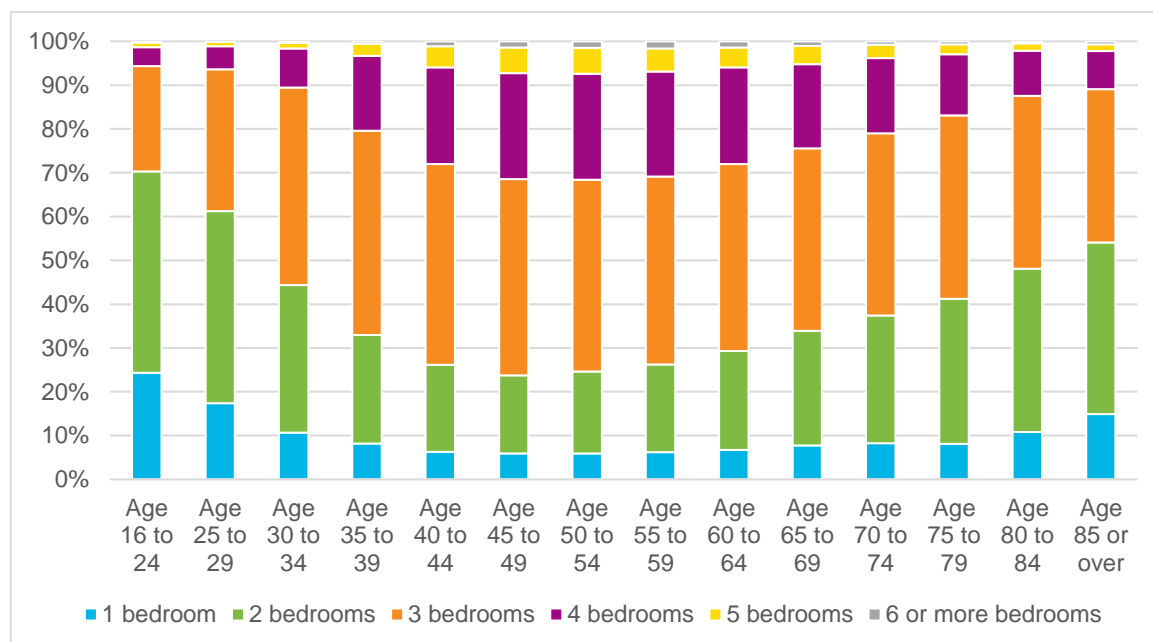
151. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they ‘need’. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

152. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

153. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

154. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for New Forest in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

**Figure 5-2: Age of household reference person by dwelling size in New Forest, 2011**



Source: ONS 2011, AECOM Calculations

155. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Ringwood households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8

below makes clear that population growth can be expected to be driven by the oldest households, with nearly 50% of the change from 2011-2035 coming from the category aged 65 and over. Conversely, the category which shows the largest decrease is those aged 35 to 54, with a 16% decline from 2011 to 2036.

**Table 5-8: Projected distribution of households by age of HRP, Ringwood**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	96	481	2,250	1,164	2,043
2036	90	490	1,879	1,078	3,028
% change 2011-2036	-7%	2%	-16%	-7%	48%

Source: AECOM Calculations

156. The final result of this exercise is presented in Table 5-9 below. The model suggests that new development should focus primarily on 3-bedroom houses with 43.6% of new houses. This dwelling size is already the most common and is generally suitable for many groups/ages. Next, 2-bedroom houses make up 42.8% of the balance, which is also a high figure. This size category will gear towards young professionals, small families and potentially the elderly when they consider downsizing.

**Table 5-9: Suggested dwelling size mix to 2036, Ringwood**

Number of bedrooms	Current mix (2011)	Target mix (2036)	Balance of new housing to reach target mix
1 bedroom	10.0%	8.8%	0.0%
2 bedrooms	26.1%	27.7%	42.8%
3 bedrooms	41.3%	41.7%	43.6%
4 bedrooms	17.6%	17.3%	13.7%
5 or more bedrooms	4.7%	4.5%	0.0%

Source: AECOM Calculations

157. Following on from the Table above, it is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.

158. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.

159. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.

160. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## Conclusions- Type and Size

161. This chapter provided an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

162. This chapter also intended to give a snapshot of the existing dwelling stock in Ringwood in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate for the future.

163. Firstly, VOA 2020 data was utilised to give the most accurate indication of property types within the area. This data highlighted that terraces and flats are generally the most affordable home types. From the VOA 2020, data there is a lower proportion of terraces and flats at 15.7% and 17.2% respectively. The low percentage of these more affordable homes can be an issue for those in the local area who are on lower incomes and want to get onto the property ladder, this was also highlighted within RQ1. Ringwood has a high percentage of detached dwellings at 22.6% compared to England (15.9%). Accordingly, this illustrates the high volume of larger, more expensive, properties within Ringwood.

164. Then, in relation to dwelling size, from the data, it is evident that Ringwood has a larger proportion of 4+ bedroom homes, compared to that of England, with 21.6% compared to 8.9%.

165. The estimated age structure of the NA population alongside 2011 Census figures, was then investigated. Results showed that from the 2011 data to 2019, there is an emerging elderly population. Accordingly, the only increase within an age group was the 65-84, which increased from 19% to 22%, with most other age categories either remaining the same or decreasing in relative proportion. Moreover, the increase in the population within Ringwood from 14,181 to 14,610, was predominantly within the 65-84 age group which increased from 2,687 in 2011 to 3,216 in 2019. Projections suggest that older age groups will continue to drive population growth to an increasing degree. Importantly, this could be due to pensioners retiring within Ringwood and younger, professionals, moving away from the area. Table 5-8 illustrated this, as the oldest group will expand by 48% while the others stagnate or decrease. Importantly, across the NA, a combined total of just over 75% live in a home with at least one extra bedroom in 2011. With 39.03% living in a home with two or more extra bedrooms.

166. From the data analysed, our final conclusions suggest that new development should focus on 3-bedroom houses with 43.6% of the new houses, they are already the most common, are generally the most popular, and are suitable to many groups. Next, 2-bedroom houses make up 42.8% of the balance, which is also a high figure. This size will gear towards young professionals, small families and also the elderly when they consider downsizing.
167. Focusing on 2/3-bedroom dwellings will also make for more affordable homes, therefore, giving first time buyers a better chance of getting on the property ladder. This may also have the effect of creating greater demographic balance in the area. Importantly, this data should not be interpreted too prescriptively. It may be that older downsizing households prefer 3-beds to 2-beds and that the high figure for 2-beds could be spread more evenly among other size categories. This would potentially allow for continued provision of larger homes to retain choice in the market.

# 6. Conclusions

## Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<ul style="list-style-type: none"> <li>In Ringwood, the private rented sector expanded by 152.6% from 2001-2011, this is 41.9% higher than that of New Forest.</li> <li>In relation to affordability, looking at the mean, it is clear from the data that there has been a drastic increase in house prices within Ringwood since 2011. In 2011 the mean house price was £251,983 and in 2020 it was £357,145, this has resulted in an increase of 41.7%, which equates to £105,162.</li> <li>Then looking at affordability thresholds, the median house price would require an annual income of £86,786. This is over twice that of the current average, which is currently at £38,900.</li> <li>Looking towards policy, New Forest's adopted policy on this subject Policy HOU2: Affordable Housing, requires 50% of all new housing to be affordable. Given that Affordable Housing made up just 25.3% of new housing in Ringwood over the last decade according to New Forest's completions figures, it is understood that this target is not usually met on sites in the NA.</li> </ul>	<ul style="list-style-type: none"> <li>From the data investigated and the housing requirement set out. There will firstly be a provisional capacity figure of 1300.</li> <li>In line with the LPA's Local Plan, there is an aim for 50% of this to be affordable, which translates into 650 homes.</li> <li>Of these 650 homes, 50% will be for affordable rent, which translates into 325 homes.</li> <li>Furthermore, 50% of these homes will be for affordable home ownership which also translates into 325 homes.</li> <li>Within the 50% affordable ownership, there should also be a split of 25% first homes, 20% shared ownership and 5% rent to buy.</li> <li>This level of delivery meets the approximate need of the overall affordable requirement identified in the previous estimates aforementioned (albeit a different tenure ratio).</li> <li>Importantly, this exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of Affordable Housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g., if the group plan for more housing (and therefore more Affordable Housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.</li> </ul>
Housing type and size	<ul style="list-style-type: none"> <li>From the VOA 2020 data there is a lower proportion of terraces and flats at 15.7% and 17.2% respectively. The low percentage of these more affordable homes can be an issue for those in the local area who are on lower incomes and want to get onto the property ladder. Ringwood has a high percentage of detached, more expensive, dwellings at 22.6% compared to England at 15.9%. Hence, smaller homes need to be prioritised in the future.</li> <li>Then, in relation to dwelling size, from the data, it is evident that Ringwood has a larger proportion of 4+ bedroom homes, compared to that of England, with 21.6% compared to 8.9%.</li> <li>The age structure was then looked at from 2011 to 2019. Accordingly, the only increase within an age group was the 65-84, which increased from 19% to 22%, with all other age categories either remaining the same or decreasing in value.</li> </ul>	<ul style="list-style-type: none"> <li>From the data analysed, our final conclusion suggests that new development should focus on 3-bedroom houses with 43.6% of the new houses. This house type is already the most common and are generally the most popular and are suitable to many groups.</li> <li>Next, 2-bedroom houses make up 42.8% of the balance, which is also a high figure. This size will gear towards young professionals, small families and also the elderly when they consider downsizing.</li> <li>These housing sizes should be split into the affordable rent and affordable ownership categories suitably, as stated in RQ1 above.</li> <li>Community Led Housing (CLH) may be of relevance to the NA as a means of delivering housing.</li> </ul>

## Recommendations for next steps

169. This Neighbourhood Plan housing needs assessment aims to provide Ringwood with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with the Local Planning Authority with. The findings of this HNA can be used in formulating draft housing policies, taking the following key points into consideration:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of New Forest District;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by New Forest District Council.

170. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

171. It is strongly recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, New Forest District Council or any other relevant party and review the Neighbourhood Plan accordingly to avoid any disparities or preparing policy that fails to meet the basic conditions.

172. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

173. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

174. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Ringwood, it is considered that MSOA (New Forest 012: E02004790) is the closest realistic proxy for the Neighbourhood Area boundary, and as such, this is the assessment geography that has been selected. A map of (New Forest 012: E02004790) appears below in Figure A-1.

**Figure A-1: MSOA New Forest 012: E02004790 used as a best-fit geographical proxy for the Neighbourhood Area**



*Source: ONS*

## A.2 Market housing

175. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

176. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

## i) Market sales

177. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

178. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Ringwood, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

179. The calculation for the purchase threshold for market housing is as follows:

- Value of a median NA house price (2020) = £337,500
- Purchase deposit at 10% of value = £33,750
- Value of dwelling for mortgage purposes = £303,750
- Divided by loan to income ratio of 3.5 = £86,786

180. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £265,000, and the purchase threshold is therefore £68,143.

181. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. For new build properties, data was only available for the LA in 2020. This is as follows. The purchase threshold for an average new build home is £111,226, although this will vary depending on the type and size of property, and whether newly built homes are more or less expensive in the NA than the LA.

182. Note that the apparently high cost of new flats is skewed by a luxury development in Brockenhurst that is not representative of the cost of flats in other years.

**Table A-1: New build in LA**

<b>New build LA (2020)</b>	
<b>Detached</b>	£579,157
<b>Semi-Detached</b>	£303,918
<b>Terraced</b>	£313,802
<b>Flats</b>	£610,608
<b>All Types*</b>	£432,546



## ii) Private Rented Sector (PRS)

183. Income thresholds are used to calculate the affordability of rented and Affordable Housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
184. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
185. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area.
186. According to [home.co.uk](https://www.home.co.uk), there were 11 properties for rent at the time of search in (November 2021), with an average monthly rent of £942. There were 2 two-bed properties listed (entry-level), with an average price of £893 per calendar month.
187. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £893 x 12 = £10,716;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £35,716.
188. The calculation is repeated for the overall average to give an income threshold of £37,680.

## A.3 Affordable Housing

189. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the Affordable Housing tenures are considered below.

### i) Social rent

190. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
191. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for

Ringwood. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for New Forest in the table below.

192. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-3: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£99.53	£112.77	£124.08	£137.74	£115.56
Annual average	£5,176	£5,864	£6,452	£7,162	£6,009
Income needed	£20,702	£23,456	£25,809	£28,650	£24,036

Source: Homes England, AECOM Calculations

## ii) Affordable rent

193. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

194. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

195. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for New Forest. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

196. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA reaches the maximum of 80%.

**Table A-4: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£115.89	£140.66	£164.96	-	£141.42
Annual average	£6,026	£7,314	£8,578	-	£7,354
Income needed	£24,105	£29,257	£34,312	-	£29,415

Source: Homes England, AECOM Calculations

## iii) Affordable home ownership

197. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available

are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.

198. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

### **First Homes**

199. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

200. The starting point for these calculations is therefore the estimated cost of new build housing in Ringwood. Using the Median house price within the NA as a proxy, £337,500.

201. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home = £337,500;
- Discounted by 30% = £236,250;
- Purchase deposit at 10% of value = £23,625;
- Value of dwelling for mortgage purposes = £212,625;
- Divided by loan to income ratio of 3.5 = purchase threshold of £60,750.

202. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £52,071 and £43,393 respectively.

203. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

204. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Ringwood.

### **Shared ownership**

205. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying

rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

206. In exceptional circumstances (for example, because of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

207. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

208. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £337,500 is £84,375;
- A 10% deposit of £8,438 is deducted, leaving a mortgage value of £75,938;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £21,696;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £253,125;
- The estimated annual rent at 2.5% of the unsold value is £6,328;
- This requires an income of £21,093.75 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent);
- The total income required is £42,790 (£21,696 plus £21,094).

209. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £33,991 and £57,455 respectively.

210. From the values above it is important to note that the income thresholds are below the £80,000 cap for eligible households.

### **Rent to buy**

211. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

### **Help to Buy (Equity Loan)**

212. The Help to Buy Equity Loan is not an Affordable Housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
213. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

## **Affordable Housing (NPPF Definition)**

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

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

b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price

for future eligible households, or for any receipts to be recycled for alternative Affordable Housing provision or refunded to Government or the relevant authority specified in the funding agreement.

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>11</sup>.

### **Age-Restricted General Market Housing**

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>12</sup>**

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

### **Co-living**

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen

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<sup>11</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>12</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

space with others. In co-living schemes each individual represents a separate 'household'.

### **Community Led Housing/Community Land Trusts**

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

### **Community Right to Build Order<sup>13</sup>**

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

### **Concealed Families (Census definition)<sup>14</sup>**

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

### **Equity Loans/Shared Equity**

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

### **Extra Care Housing or Housing-With-Care**

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

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<sup>13</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>14</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)



## **Fair Share**

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

## **First Homes**

The Government has recently confirmed the introduction of First Homes as a new form of discounted market housing which will provide a discount of at least 30% on the price of new homes. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **Habitable Rooms**

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

## **Household Reference Person (HRP)**

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

## **Housing Size (Census Definition)**

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

## **Housing Type (Census Definition)**

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

so LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

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

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>15</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

## **Neighbourhood Development Order (NDO)**

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

## **Neighbourhood plan**

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

## **Older People**

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs

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<sup>15</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

### **Output Area/Lower Super Output Area/Middle Super Output Area**

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some

benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

### **Retirement Living or Sheltered Housing**

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

### **Residential Care Homes and Nursing Homes**

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

### **Rightsizing**

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

### **Rural Exception Sites**

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

### **Shared Ownership**

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

### **Sheltered Housing<sup>16</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide

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<sup>16</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

### **Strategic Housing Land Availability Assessment**

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

### **Strategic Housing Market Assessment (NPPF Definition)**

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>17</sup>

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<sup>17</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

