

Housing evidence update report



**West Suffolk Council
December 2023**

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Inspection Date: 20/09/23

Report Issue Date:

This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

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For and on behalf of Lambert Smith Hampton

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Table 1. Acronyms

ARHO	Affordable routes to home ownership
ASHE	Annual survey of hours and earnings
BRMA	Broad Rental Market Area
DCLG	Department for Communities and Local Government
CoRe	Continuous Recording of Sales and Lettings
DLUHC	Department for Levelling Up, Housing and Communities
DWP	Department of Work and Pensions
EHS	English Housing Survey
FH	First Homes
HMA	Housing market area
HMO	Houses in multiple occupation
HRPs	Household Reference Persons
LAHS	Local Authority Housing Statistics
LCHO	Low-cost home ownership
LHA	Local Housing Allowance
LHN	Local housing need
LHNF	Local Housing Need Figure
LQ	Lower quartile
LSH	Lambert Smith Hampton
MHCLG	Ministry for Housing, Communities and Local Government
NPPF	National Planning Policy Framework
OAN	Objectively assessed housing need
OMV	Open market value
ONS	Office for National Statistics
OR	Occupancy rating
PAS	Planning Advisory Service
PPG	Planning Practise Guidance
PRS	Private rented sector
RSH	Regulator of Social Housing
SSSC	Social sector size criteria
VOA	Valuations Office Agency
WSC	West Suffolk Council

1.0 Executive summary

1.1 This report provides a district update to the Affordable Housing Need and Housing Mix chapters of the Housing Needs of Specific Groups for Cambridgeshire and West Suffolk report produced in 2021 (the 2021 study), for West Suffolk. To form a key part of the evidence supporting the emerging West Suffolk Local Plan.

1.2 Affordable housing need

1.2.1 Initially, it is worth noting that West Suffolk has a strong track record in the delivery of Social and Affordable Rented units. This tenure of affordable housing for rent has increased over the period 2011-2021 by 15.1 per cent. This compares favourably with the comparator geographies, for example the number of units for Social and Affordable Rented have only increased in England by 2.6 per cent over the period.

1.2.2 As regards to affordable housing need moving forward, analysis has been undertaken to estimate need on an annual basis in West Suffolk. The analysis is split between a need for affordable housing for rent accommodation and the need for Affordable routes to home ownership (ARHO). ARHO is housing for those who can afford to rent privately but cannot afford to buy a home.

1.2.3 The analysis has taken account of local housing costs and estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of affordable housing for rent housing. For ARHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.

- 1.2.4 When looking at needs from households unable to buy or rent, the analysis suggests a need for **505 affordable homes for rent per annum (pa)** across the council area.
- 1.2.5 Despite the level of need, it is not considered that this points to any requirement for the council to increase the Local Plan housing requirement to meet the need for affordable homes. That said, the level of affordable need does suggest the council should maximise the delivery of such housing at every opportunity.
- 1.2.6 The analysis suggests there will be a need for both Social and Affordable Rented (both forms of affordable housing for rent). The latter will be particularly suitable for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit or Universal Credit.
- 1.2.7 That said, Social Rents are more affordable than Affordable Rented homes and could benefit a wider range of households. Social Rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- 1.2.8 When looking at ARHO products, the analysis is **inconclusive about the scale of the need for ARHO**. Despite evidence of households being unable to buy homes on the basis of their income, it is likely that a key issue in the council area is access to capital and potential mortgage restrictions rather than simply obtaining a large enough mortgage.
- 1.2.9 Overall, the analysis identifies a notable need for affordable housing for rent, and it is clear that provision of new affordable housing for rent is an important and pressing issue in the area.

1.2.10 This report does not, however, provide a target for affordable housing for rent.

The amount of affordable housing delivered will be limited to the amount that can viably be provided. That said, the evidence indicates that affordable housing delivery should be maximised where opportunities arise.

1.3 First Homes

1.3.1 The First Homes (FH) chapter identifies the level of discount to the value of new-build dwellings that would be required to make First Homes affordable to people within a plausible target group based on their income level.

1.3.2 The analysis, therefore, focuses on those households that fall into the 'rent or buy' gap, noting that different households will require different levels of support to access the 'for-sale' market.

1.3.3 In identifying a target group, the analysis assumes that households able to afford lower quartile (LQ) dwellings in the private rented sector.

1.3.4 (PRS) are a key constituency. This is because providing households with a route out of rented accommodation and into home ownership is the main objective of the First Homes policy.

1.3.5 Analysis has also been undertaken to assess whether First Homes would be affordable given the household income distribution in West Suffolk. This provides guidance as to the level of discount that would be appropriate to enable households on certain incomes to access homeownership. This analysis concludes that households with an income.

- between £20k-30k per annum would be able to afford a 1-bedroom size dwelling priced around the mean where discounts of 30 per cent-40 per cent are applied to the open market value (OMV) price;
- between £30k-40k a household would be able to afford a First Homes of 2-bedrooms with a discount of around 30 per cent; and

- for those households earning between £40k - £55k First Homes could enable them to afford a larger dwelling (for example a 3- rather than a 2-bedroom home) than they would otherwise be able to afford.¹

1.3.6 On the basis of the household income distribution in West Suffolk, therefore, those households on incomes between £30,000 and £55,000 should be regarded as the main target group for First Homes. The income distribution data indicates that a large minority of the population falls into this category, some 30 per cent of the population (see Figure 1).

1.3.7 The evidence indicates First Homes could have a valuable role to play in enabling households to afford dwellings suited to their needs. As such, they are a valid form of ARHO in West Suffolk.

1.4 Housing mix

1.4.1 The approach of this report to arriving at recommended housing mix is the assumption that patterns of occupation by size and tenure for different age cohorts within the Census 2021 (Home – Office for National Statistics (ons.gov.uk)) in West Suffolk provide an indication of housing preferences in the area in future years.

1.4.2 The demographic projections used for the 2021 study are then mapped onto this pattern to arrive at a baseline housing mix (the 'Housing Market Model' outputs).

1.4.3 Additional evidence that is specific to the local area, including the age structure and over-crowding or under occupation of homes is then used to identify possible market failures that justify amendments to these outputs. Using this method, it is possible to arrive at a recommended mix for the three principal tenures (market, ARHO and affordable housing for rent).

¹ For example, a household earning £50,000 per annum (pa) would be able to afford a 3-bed home with a discount of 34%

i. Market

1.4.4 In arriving at a recommended size mix for market dwellings, the evidence shows that,

- there is a positive correlation between the aging population and an increase in under-occupation within West Suffolk; this is reinforced by
 - similar observations being seen within the comparator geographies; and
 - the market delivering relatively strong growth in larger dwellings but weaker in smaller units over the 2011 – 2021 period.

1.4.5 This suggests the presence of market failure that weakens the delivery of homes suited to ‘right-sizing’ for older people.

ii. Affordable routes to home ownership

1.4.6 In arriving at a recommended size mix for ARHO dwellings, the evidence shows that (noting that trends within the private rented sector (PRS) provide a proxy for ARHO),

- the distribution of sizes of home within the growth of the PRS between 2011 and 2021 is evenly balanced, although 2- and 3- bedroom units predominate (representing 2,391 of all new PRS homes, or 77 per cent of the total);
- this broadly tallies with the outputs of the Housing Market Model, suggesting that the emphasis should be on ARHO dwellings of 2- and 3- bedrooms (42 per cent and 34 per cent respectively, totalling 76 per cent of new homes); and
- the majority of the forecast growth in households with dependent children in the period 2020 – 2040 relates to those with one child, indicating that dwellings of at least two bedrooms are likely to be in high demand.

1.4.7 Based on these factors the report concludes that the provision of ARHO should be more explicitly focused on delivering smaller housing for younger family households.

1.5 Affordable housing for rent

1.5.1 In arriving at a recommended size mix for affordable housing for rent, the evidence shows that,

- 1-bedroom dwellings are identified as the size that is suitable for half of all households on the register;
- that said, this is at variance with the outputs of the Housing Market Model, suggesting that a greater balance should be sought between 1- 2- and 3-bedrooms (37 per cent; 38 per cent and 23 per cent respectively);
- moreover, the council's housing waiting list data suggests those households seeking an affordable housing for rent of 4+ bedrooms have to wait significantly longer than those seeking smaller homes. This suggests an under-supply of homes of this size; and
- also, the change in the stock of dwellings between the 2011 and 2021 Censuses indicates that 1- and 2-bedroom homes formed the bulk of the new affordable housing for rent in West Suffolk (a total of 1,337 or 80 per cent of supply).

1.5.2 When formulating policy, the council should take account of local circumstances (such as existing stock, supply and demand).

1.5.3 The final adjusted set of recommendations are set out in the table below.

Table 2 . Recommended size mix by tenure (per cent)

Type	1-bed	2-beds	3-beds	4+-bed
Market	0-10	30-40	40-50	10-20
Affordable routes to home ownership	10-20	40-50	30-40	0-10
Affordable housing for rent	30-40	30-40	15-25	5-15

Source: Lambert Smith Hampton (LSH) calculations

2.0 Introduction

2.1 Overview

2.1.1 This report provides a district update to two chapters within the Housing Needs of Specific Groups for Cambridgeshire and West Suffolk (the 2021 study) for West Suffolk, a key part of the evidence base of the West Suffolk Council's (WSC) emerging Local Plan. These are,

- Affordable housing need. (including First Homes) in line with relevant national policy set out in the National Planning Policy Framework guidance (NPPF) and Planning Practice Guidance (PPG)²; and
- Housing mix. The housing mix chapter addresses the proportion of households that require
 - market;
 - affordable routes to home ownership (ARHO); and
 - affordable housing for rent
 and how this should break down into different sizes (number of bedrooms) of home. This employs a modelling process that generates a mix of housing that reflects the demographic projections over the Plan period prepared as part of the 2021 study.

² PPG (Housing and economic needs assessments) Ref ID: 2a-018 – 2a-024

3.0 Affordable housing need

3.1 Introduction

3.1.1 This section sets the policy context for the study; summarising local housing need, land supply, known barriers and actions.

3.1.2 This study provides an assessment of the need for affordable housing in West Suffolk. It has been co-authored by Lambert Smith Hampton and Justin Gardner of Justin Gardner Consulting. It has been commissioned by West Suffolk Council to provide a district update to the affordable housing sections in the Cambridgeshire and West Suffolk Housing Needs of Specific Groups study, produced in 2021.

3.1.3 The analysis follows the planning practice guidance (PPG housing and economic needs assessment Ref ID 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the National Planning Policy Framework – this is, firstly, an assessment of the need from households unable to buy or rent housing and, secondly, from households able to rent but not buy.

3.1.4 For convenience these analyses are labelled as a need for ‘affordable housing for rent’ and ‘affordable routes to home ownership’ although in reality it is possible for a home ownership product to fit into the rented category (as long as the price is sufficiently low) or for a rented product (such as rent-to-buy) to be considered as an affordable route to home ownership.

3.2 Methodology overview

3.2.1 The method for studying the need for affordable housing has been enshrined in government practice guidance (PPG) for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for affordable housing for rent and therefore the analysis looks at need for ‘affordable housing for rent’ as set out in annex 2 of the National Planning Policy Framework. The methodology for looking at the need for this tenure of affordable homes (addressing need for both Social and Affordable Rented dwellings) considers the following:

- Current affordable housing need: an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;
- Projected newly forming households in need: using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
- Existing households falling into need: based on studying past trends in the types of households who have accessed affordable housing for rent housing; and
- Supply of affordable housing: an estimate of the likely number of lettings that will become available from the existing Social and Affordable Rent housing stock.

3.2.2 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for affordable housing for rent housing.

- 3.2.3 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 3.2.4 The National Planning Policy Framework (NPPF) and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home and require support to do so. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.
- 3.2.5 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so.
- 3.2.6 The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers
- a current need;
 - a newly-arising need on an annual basis;
 - existing households falling into need; and
 - an annual estimate of supply.
- 3.2.7 The analysis of affordable housing need is therefore structured to consider the need for affordable housing for rent, and separately the need for affordable routes to home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by PPG paragraph 2a-024).

3.2.8 Whilst the need for affordable housing for rent housing and affordable routes to home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

3.3 Local prices and rents

3.3.1 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

3.3.2 The analysis below considers the entry-level costs of housing to both buy and rent across the council area. The approach has been to analyse Land Registry and Office for National Statistics (ONS) data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.

3.3.3 Data from the Land Registry for the year to December 2022 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £140,000 for a second-hand flat and rise to £325,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £227,500. The figures are all based on the cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable routes to home ownership properties.

Table 3. Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to December 2022 – West Suffolk

Type	Type
Flat or maisonette	£140,000
Terraced	£210,000
Semi-detached	£234,000
Detached	£325,000
All dwellings	£227,500

Source: Land Registry

- 3.3.4 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £135,000 for a 1-bedroom home, rising to £360,000 for homes with 4-bedrooms.

Table 4. Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to December 2022 – West Suffolk

Size	Lower quartile price
1-bedroom	£135,000
2-bedrooms	£200,000
3-bedrooms	£255,000
4-bedrooms	£360,000
All Dwellings	£227,500

Source: Land Registry and Internet Price Search

- 3.3.5 A similar analysis has been carried out for private rents using Office for National Statistics (ONS) data – this covers a 12-month period to March 2023. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £900 per month.

Table 5. Lower quartile market rents, year to March 2023 – West Suffolk

Size	Lower quartile rent, per calendar month
1-bedroom	£650
2-bedrooms	£800
3-bedrooms	£1,050
4-bedrooms	£1,300
All properties	£900

Source: Office for National Statistics (ONS)

3.4 Household incomes

- 3.4.1 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price or rent data) will determine levels of affordability (that is, the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates for small areas³ updated to a 2022 base using data from the Annual Survey of Hours and Earnings (ASHE)⁴. Additional data from the English Housing Survey (EHS)⁵ has been used to provide information about the distribution of incomes.

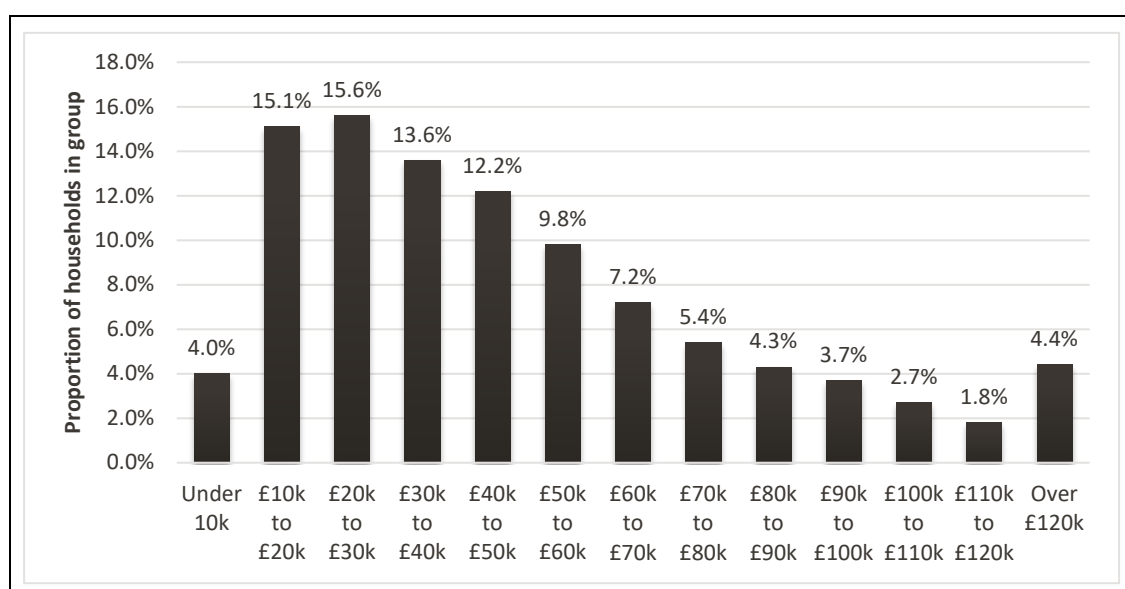
³ [Office for National Statistics - Income estimates for small areas, England and Wales](#)

⁴ [Nomis - Official Census and Labour Market Statistics - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](#)

⁵ Raw data from the 2013-14 and 2018-19 EHS has been analysed

3.4.2 Drawing this data together an income distribution for all households across the council area has been constructed for 2022. The figure below shows that around a third of households have incomes below £30,000 with a further quarter in the range of £30,000 to £50,000. Overall, the average (mean) income is estimated to be around £49,300, with a median income of £41,300; the lower quartile income of all households is estimated to be £23,600.

Figure 1. Distribution of household income (2022) – West Suffolk



Source: Derived from a range of data including ONS, Annual Survey of Hours and Earnings (ASHE) and English Housing Survey (EHS)

Table 6. Distribution of household income (2022) – West Suffolk

Income bracket	per cent of households in band
Under 10k	4.0 per cent
£10k to £20k	15.1 per cent
£20k to £30k	15.6 per cent
£30k to £40k	13.6 per cent
£40k to £50k	12.2 per cent
£50k to £60k	9.8 per cent
£60k to £70k	7.2 per cent
£70k to £80k	5.4 per cent
£80k to £90k	4.3 per cent
£90k to £100k	3.7 per cent
£100k to £110k	2.7 per cent
£110k to £120k	1.8 per cent
Over £120k	4.4 per cent
TOTAL	100.0 per cent

Source: Derived from a range of data including ONS, ASHE and EHS

3.5 Affordability thresholds

- 3.5.1 To assess affordability two different measures are used; firstly, to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of affordable housing for rent housing) and, secondly, to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying).

- 3.5.2 This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (for example, recognising that newly forming households are likely on average to have lower incomes than existing households).
- 3.5.3 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income.
- 3.5.4 The choice of an appropriate threshold is, therefore, an important aspect of the analysis. However, the PPG does not provide any guidance on this issue. Communities and Local Government Strategic Housing Market Assessment guidance prepared in 2007 suggested that 25 per cent of income is a reasonable start point, it also noted that a different figure could be used.⁶ Analysis of current letting practice suggests that letting agents typically work on a multiple of 40 per cent. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40 per cent+ (depending on household characteristics).
- 3.5.5 At £900 per calendar month, lower quartile rent levels in West Suffolk are above average in comparison to those seen nationally (a lower quartile rent of £625 for England in the year to September 2022). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25 per cent). On balance, it is considered that a threshold of 30 per cent is reasonable in a local context, to afford a £900 per calendar month rent would imply a gross household income of about £36,000 (and the rent would likely be around 38 per cent of net income).

⁶ [Government Strategic Housing Market Assessments: Practice Guidance](#) (see page 42)

- 3.5.6 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 3.5.7 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for affordable housing for rent housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable routes to home ownership.
- 3.5.8 For the purposes of this assessment, the income thresholds for owner-occupation assume a household have a 10 per cent deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case-by-case basis.
- 3.5.9 The table below shows the estimated incomes required to both buy and rent (privately) – this shows a notable ‘gap’ in income requirements. The information in the table below is taken forward into further analysis in this section to look at affordable needs in different tenures.

Table 7. Estimated household income required to buy and privately rent.

Area	To buy	To rent (privately)	Income gap
West Suffolk	£45,500	£36,000	£9,500

3.6 Need for affordable housing for rent housing

3.6.1 The sections below work through the various stages of analysis to estimate the need for affordable housing for rent in the council area. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

3.7 Current need

3.7.1 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable routes to home ownership).

Table 8. Main sources for assessing the current need for affordable housing

Household	Source	Notes
Homeless households (and those in temporary accommodation)	Ministry for Housing, Communities and Local Government (MHCLG) statutory homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing⁷	Census 2021 table RM099	Analysis undertaken by tenure
Concealed households⁸	Census 2021 table RM009	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: Planning Practise Guidance (PPG) [2a-020]

3.7.2 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

⁷ [Nomis - Official Census and Labour Market Statistics](#)

⁸ [Nomis - Construct Summary](#)

3.7.3 The table below sets out the categories in the PPG and estimates the number of households within each need category. This shows an estimated need from around 4,400 households. The data draws on a number of sources, including the 2021 Census (Home – Office for National Statistics (ons.gov.uk)).

Table 9. Source: Affordable housing need calculations set out in this study

Household	Households	per cent
Concealed or homeless household	767	17.3 per cent
Households in overcrowded housing	1,455	32.8 per cent
Existing affordable housing tenants in need	277	6.2 per cent
Households from other tenures in need	1,932	43.6 per cent
TOTAL	4,431	100.0 per cent

Source: Affordable housing need calculations set out in this study

3.7.4 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households, it is assumed incomes will be low and households unlikely to be able to afford to rent privately.

3.7.5 The table below shows over half of those households identified above are unlikely to be able to afford market housing to buy or rent and therefore there is a current need from 2,496 households. The estimate above can be compared with data from the council's housing register, which in August 2023 had a total of 2,358 applicants (a broadly similar figure).

Table 10. Estimated housing need and affordability by tenure

Tenure	Number in need	per cent unable to afford	Current need after affordability
Owner-occupied	954	5.0 per cent	47
Affordable housing	940	85.7 per cent	805
Private rented	1,770	49.5 per cent	877
No housing (homeless or concealed)	767	100.0 per cent	767
TOTAL	4,431	56.3 per cent	2,496

Source: Affordable housing need calculations set out in this study

- 3.7.6 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise).
- 3.7.7 The total current need is therefore estimated to be 1,691 affordable homes for rent (that is, 2,496-805 to avoid double counting). For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given the emerging local plan looks at needs in the period to 2040 (with an assumed 2023 base date to align with the draft submission local plan, the need is annualised by dividing by 17 (to give an annual need for 99 dwellings). This does not mean that some households would be expected to wait 17 years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

3.8 Newly-forming households

- 3.8.1 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously, to provide an estimate of gross household formation. This approach is consistent with the Department for Communities and Local Government (DCLG) guidance of 2007⁹.
- 3.8.2 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with DCLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (for example, due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 3.8.3 In assessing the ability of newly forming households to afford market housing, data has been drawn from analysis of English Housing Survey data at a national level. This establishes that the average income of newly forming households is around 84 per cent of the figure for all households.¹⁰
- 3.8.4 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84 per cent of the all-household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for affordable housing for rent housing this will relate to households unable to afford to buy OR rent in the market.

⁹ [Government-Publications Strategic Housing Market Assessments: Practice Guidance](#) (see pages 19-20 of Annexes)

¹⁰ Raw data from the 2013-14 and 2018-19 EHS has been analysed

- 3.8.5 The assessment suggests overall that around a half of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 555 newly forming households that will have a need per annum on average across the council area.

Table 11. Estimated need for affordable housing for rent housing from newly forming households (per annum)

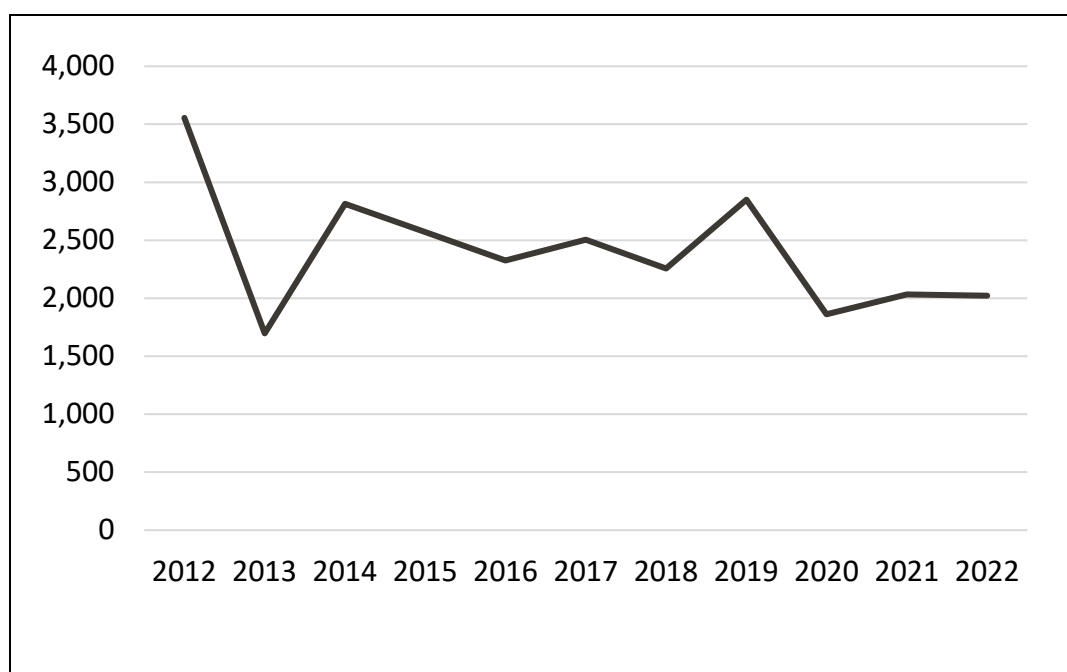
Area	No. new households	per cent unable to afford market housing (to rent privately)	Number of new households who cannot afford to rent (per annum)
West Suffolk	1,064	52.1 per cent	555

Source: Projection modelling and affordability analysis

- 3.9 Existing households falling into affordable housing need
- 3.9.1 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in affordable housing for rent has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the housing register over this period.
- 3.9.2 From this, newly forming households (for example, those currently living with family) have been discounted as well as households who have transferred from another affordable housing for rent property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS), Continuous Recording of Sales and Lettings (CoRe) and information provided by the council.
- 3.9.3 This method for assessing existing households falling into need is consistent with the 2007 Strategic Housing Market Assessment guide which says

- 3.9.4 “Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)”.¹¹
- 3.9.5 In addition, analysis has considered trends in the housing register, recognising an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa).
- 3.9.6 Over the past decade, the number of households on the Register has been variable, but with no clear trend – particularly since West Suffolk Council was formed (the past 3 years in the data below). Therefore, no further adjustments have been made from estimates based on past lettings.

Figure 2. Housing register trends (2012-2022) – West Suffolk



Source: Department for Levelling Up, Housing and Communities (DLUHC) [Gov.uk](https://www.gov.uk/government/statistics/live-tables-on-rents-lettings-and-tenancies)
– [Live tables on rents, lettings and tenancies](https://www.gov.uk/government/statistics/live-tables-on-rents-lettings-and-tenancies)

¹¹ [Government- Publications Strategic Housing Market Assessments: Practice Guidance](#) (see page 46)

Table 12. Housing register trends (2012-2022) – West Suffolk

Year	Number of households on housing register
2012	3,555
2013	1,697
2014	2,813
2015	2,572
2016	2,326
2017	2,506
2018	2,256
2019	2,850
2020	1,861
2021	2,034
2022	2,022

Source: DLUHC [Gov.uk – Live tables on rents, lettings and tenancies](https://www.gov.uk/live-tables-on-rents-lettings-and-tenancies)

3.9.7 Following the analysis through suggests a need arising from 187 existing households each year across the council area. This may be summarised as follows:

Table 13. Existing households falling into affordable housing need summary table

A	Total lettings (general needs)	773
B	Minus number of transfers	-346
C	Minus lettings to newly-forming households	-150
D	Lettings to existing households (A-B+C)	277
E	Remove allowance in newbuild homes (that is, essentially 'non-existing stock')	-59
F	Need from existing households each year	218
G	Of which it is estimated around 14 per cent could afford private rented housing based on incomes in the social sector (that is, 86 per cent cannot afford)	187

3.10 Supply of affordable housing for rent through re-lets

3.10.1 The future supply of affordable housing through re-lets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of affordable housing for rent relets.

3.10.2 The DCLG guidance of 2007 suggests that the estimate of likely future relets from the affordable housing for rent stock should be based on past trend data which can be taken as a prediction for the future.¹²

3.10.3 Information from a range of sources (LAHS, CoRe and council data) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other Social Rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

¹² [Government Strategic Housing Market Assessments: Practice Guidance](#) (see pages 48-49)

3.10.4 On the basis of past trend data, it has been estimated that 336 units of affordable housing for rent housing are likely to become available each year moving forward for occupation by households in need.

Table 14. Analysis of past affordable housing for rent housing supply, 2019/20 – 2021/22 (average per annum) – West Suffolk

Financial Year	Total lettings	per cent as non-new build	Lettings in existing stock	per cent non-transfers	Lettings to new tenants
2019/20	702	85.2 per cent	598	49.9 per cent	298
2020/21	749	73.2 per cent	548	59.8 per cent	328
2021/22	867	78.3 per cent	679	55.8 per cent	379
Average	773	78.7 per cent	608	55.3 per cent	336

Source: CoRe

3.10.5 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to deduct new housing from overall need would be to fail to show the full extent of the need, although in monitoring it will be important to allow for these dwellings as they are completed.

3.11 Net need for affordable housing for rent

3.11.1 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 505 dwellings per annum across the council area. The net need is calculated as follows:

Net Need = Current Need (allowance for) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 15. Estimated need for affordable housing for rent housing (per annum)

Stage	West Suffolk affordable housing for rent need (homes)
Current need	99
Newly forming households	555
Existing households falling into need	187
Total gross need	842
Re-let supply	336
Net need	505

Source: Affordable housing need calculations set out in this study

3.12 The affordable need and overall housing numbers

3.12.1 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need.

Specifically, the wording of the PPG (housing and economic needs) Ref ID 2a-024 states:

3.12.2 “The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total

housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes”.

3.12.3 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015¹³. PAS conclude that there is no arithmetical way of combining the Objectively assessed housing need (OAN (calculated through demographic projections)) and the affordable need. There are a number of reasons why the two cannot be ‘arithmetically’ linked.

3.12.4 Firstly, the modelling contains a category in the projection of ‘existing households falling into need’; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is, therefore, no net additional need arising. The modelling also contains ‘newly forming households’; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures (a point also made in the PAS advice note – see paragraph 9.5).

¹³ [Local Government Sites-Objectively Assessed Need and Housing Targets-Technical Advice Note](#) While the technical note produced by PAS is arguably becoming dated, there is no more up-to-date guidance on this matter from a government source and the remarks remain valid.

3.12.5 The analysis estimates an annual need for 505 affordable homes for rent per annum, which is notionally 63 per cent of a local housing need of 806 dwellings per annum (as calculated using the standard method)¹⁴. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

3.12.6 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 264 homes per annum across the council area – notionally 33 per cent of the standard method based local housing need (LHN) for West Suffolk.

3.12.7 This figure is, however, theoretical and should not be seen to be minimising the need (which is clearly acute). That said, it does serve to show that there is a substantial difference in the figures when looking at overall housing shortages.

3.12.8 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as additional to that estimated through demographic projections (including the standard method based LHN).

¹⁴ The standard method is set out in PPG (housing and economic needs assessment) Ref ID: 2a-004. It employs official [household projections](#) and [affordability statistics](#) to arrive at the minimum Local Housing Need Figure (LHNF) for councils. This should be used unless demographic and market signals evidence can be cited to arrive at an alternative.

Table 16. Estimated need for affordable housing (affordable housing for rent) excluding households already in accommodation – West Suffolk

Step in the PPG affordable housing model	Including existing households	Excluding existing households
Current need	99	45
Newly forming households	555	555
Existing households falling into need	187	0
Total gross need	842	600
Re-let supply	336	336
Net need	505	264

Source: Affordable housing need calculations set out in this study

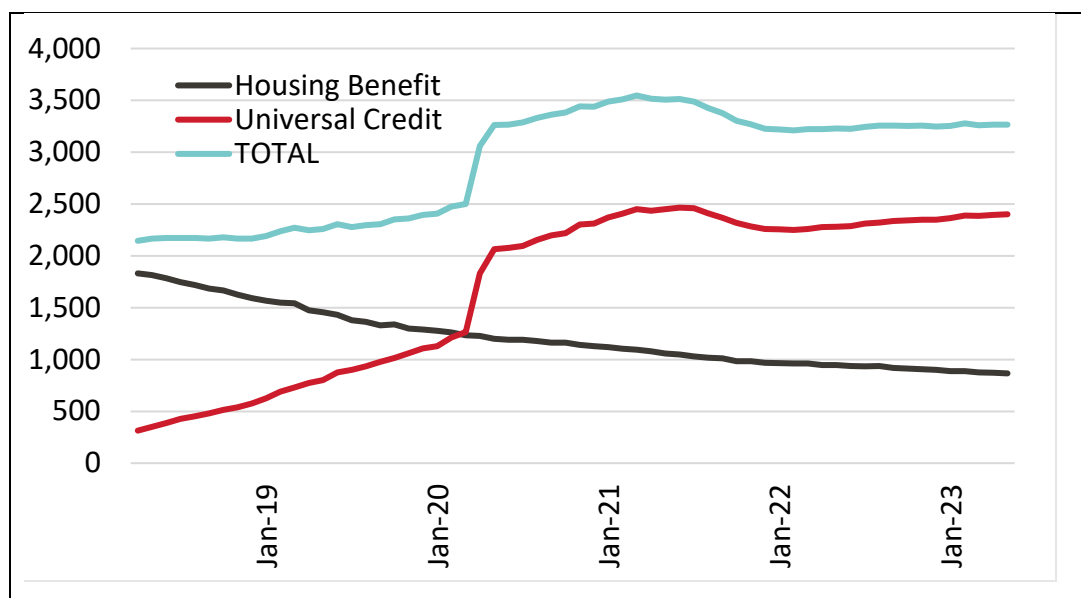
- 3.12.9 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (that is, needing to spend more than 30 per cent of income on housing).
- 3.12.10 In reality, some (possibly many) households would see their circumstances change over time such that they would ‘fall out of need’ and this is not accounted for in the analysis.
- 3.12.11 One example would be a newly forming household with an income level that means they spend more than 30 per cent of income on housing. As the household’s income rises, they would potentially pass the affordability test and therefore not have an affordable need.
- 3.12.12 Additionally, there is the likelihood when looking over the longer-term that a newly forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.

- 3.12.13 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall housing provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift¹⁵).
- 3.12.14 It is, however, worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit or Universal Credit. In particular, the role played by the private rented sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.
- 3.12.15 Whilst the private rented sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than Affordable Private Rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and, indeed, legislated through the 2011 Localism Act to allow councils to discharge their 'homelessness duty' through providing an offer of a suitable property in the PRS.
- 3.12.16 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: "Affordable housing: housing for sale or rent, for those whose needs are not met by the market".
- 3.12.17 Clearly, where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit or Universal Credit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.

¹⁵ 'Affordability uplift' refers to Step 2 of the 4 steps that make up the standard method to arrive at a council's minimum Local Housing Need Figure. It introduces an adjustment to allow for levels of affordability within the subject geography, potentially resulting in an uplift to the LHNF.

- 3.12.18 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit or Universal Credit supported private rented homes. As of May 2023, it is estimated that there were around 3,300 benefit claimants in the private rented sector in West Suffolk. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 3.12.19 It should, however, be noted that it may be difficult for households to access private rented housing where they are reliant on Housing Benefit or Universal Credit. In some cases, Local Housing Allowance (LHA) levels will be low compared to the rent being sought and there will also be cases where landlords do not let homes to households claiming benefits (LHA levels are discussed later in this section). Therefore, whilst the private rented sector does release some pressure from affordable housing, it should not be considered as an affordable tenure.
- 3.12.20 Furthermore, in some parts of West Suffolk (for example, the former Forest Heath) the private rented sector is influenced by the presence of two US Air Force bases. US service personnel receive generous housing allowances; this can result in higher rents (relative to the rents charged for similar properties elsewhere in the former Forest Heath) in areas close to the bases. As a result, non-military households may be unable to afford dwellings suited to their needs in these areas.
- 3.12.21 The figure below shows the trend in the number of claimants in the council area. This shows there has been a notable increase since March 2020, which is likely to be related to the COVID-19 pandemic and cost of living crisis. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically over 2,000 households).

Figure 3. Number of Housing Benefit claimants in the private rented sector – West Suffolk



Source: Department of Work and Pensions

Table 17 . Number of Housing Benefit claimants in the private rented sector – West Suffolk

Date	Housing Benefit	Universal Credit	TOTAL
May-18	1,813	352	2,165
Aug-18	1,720	452	2,172
Nov-18	1,627	540	2,167
Feb-19	1,549	689	2,238
May-19	1,457	802	2,259
Aug-19	1,362	935	2,297
Nov-19	1,298	1,062	2,360
Feb-20	1,262	1,213	2,475
May-20	1,199	2,063	3,262
Aug-20	1,177	2,153	3,330
Nov-20	1,141	2,302	3,443
Feb-21	1,103	2,407	3,510
May-21	1,058	2,450	3,508
Aug-21	1,016	2,410	3,426
Nov-21	984	2,284	3,268
Feb-22	961	2,249	3,210
May-22	946	2,282	3,228
Aug-22	937	2,320	3,257
Nov-22	907	2,348	3,255
Feb-23	888	2,389	3,277
May-23	866	2,401	3,267

Source: Department of Work and Pensions

3.12.22 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivering affordable housing; and the council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites.

- 3.12.23 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 3.12.24 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the council area. It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 3.12.25 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations, along with an understanding of demographic trends and economic growth.

3.13 Split between Social and Affordable Rented housing

- 3.13.1 The analysis above has studied the overall need for Social and Affordable Rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (Social and Affordable Rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 3.13.2 The table below shows current rent levels in the council area for a range of products along with relevant Local Housing Allowance (LHA) rates. West Suffolk is split across a number of Broad Rental Market Area (BRMA) for the purposes of LHA, with the settlements of Newmarket and Haverhill being in the Cambridge BRMA and Bury St Edmunds in the Bury St Edmunds BRMA.
- 3.13.3 Data about average Social and Affordable Rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that Social Rents are lower than Affordable Rents; the analysis also shows that Affordable Rents are notably lower than both lower quartile and median market rents.
- 3.13.4 The LHA rates for all sizes of home outside of the Cambridge BRMA are below lower quartile market rents and notably below median figures. This means that households seeking accommodation in many locations may struggle in some cases to secure sufficient benefits to cover their rent (where they can find a landlord willing to accept benefit tenants).

Table 18. Comparison of rent levels for different products – West Suffolk

Measurement	1-bed	2-bed	3-bed	4-bed	All
Social Rent	£345	£399	£441	£490	£404
Affordable Rent (AR)	£492	£582	£649	£865	£588
Lower quartile (LQ) market rent	£650	£800	£1,050	£1,300	£900
Median market rent	£700	£990	£1,155	£1,475	£1,050
LHA (Bury St Edmunds)	£524	£648	£798	£1,197	-
LHA (Cambridge)	£773	£848	£947	£1,296	-
LHA (Central Norfolk & Norwich)	£494	£598	£708	£947	-

Source: RSH, ONS and Valuations Office Agency (VOA)

- 3.13.6 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the table below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category. For this reason, the discussion focusses on 2-bedroom homes. This shows that Social Rents are significantly cheaper than market rents (and indeed Affordable Rents) and that Affordable Rents (as currently charged) represent 73 per cent of a current lower quartile rent (59 per cent if comparing with a median rent).

Table 19. Difference between rent levels for different products – West Suffolk

Size	Social Rent as per cent of Affordable Rent	Social Rent as per cent of LQ market rent	Social Rent as per cent of median market rent	Affordable Rent as per cent of LQ market rent	Affordable Rent as per cent of median market rent	LQ market rent as per cent of median market rent
1-bedroom	70 per cent	53 per cent	49 per cent	76 per cent	70 per cent	93 per cent
2-bedrooms	69 per cent	50 per cent	40 per cent	73 per cent	59 per cent	81 per cent
3-bedrooms	68 per cent	42 per cent	38 per cent	62 per cent	56 per cent	91 per cent
4-bedrooms	57 per cent	38 per cent	33 per cent	67 per cent	59 per cent	88 per cent
All	69 per cent	45 per cent	38 per cent	65 per cent	56 per cent	86 per cent

Source: RSH, ONS and VOA

- 3.13.7 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 39 per cent of households who cannot afford to rent privately could afford an Affordable Rent, with a further 30 per cent being able to afford a Social Rent (but not an affordable one). A total of 31 per cent of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 20. Estimated need for Affordable Rented housing (per cent of households able to afford)

Measurement	per cent of households able to afford
Afford Affordable Rent	39 per cent
Afford Social Rent	30 per cent
Need benefit support	31 per cent
All unable to afford market	100 per cent

Source: Affordability analysis

- 3.13.8 The finding that only 39 per cent of households can afford an Affordable Rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an Affordable Rent – hence a higher proportion of Affordable Rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more Social Rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower Social (rather than affordable) rent.
- 3.13.9 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need.
- 3.13.10 Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided. For example, it is likely that Affordable Rented housing is more viable, and therefore a greater number of units could be provided.
- 3.13.11 Finally, in considering a split between Social and Affordable Rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – for example, if tenants are paying a different rent for essentially the same size or type of property and services.
- 3.13.12 On this basis, it is not recommended that the council has a rigid policy for the split between Social and Affordable Rented housing, although the analysis is clear that both tenures of homes (and particularly Socially rented housing) are likely to be required.

- 3.14 Establishing a need for affordable routes to home ownership
- 3.14.1 The PPG confirms a widening definition of those to be considered as in affordable need.¹⁶ This now includes “households which can afford to rent in the private rental market but cannot afford to buy despite a preference for owning their own home”. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 3.14.2 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households).
- 3.14.3 The key difference is that, in looking at affordability, an estimate of the number of households in the ‘gap’ between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable routes to home ownership (ARHO) homes – this is considered separately below.
- 3.14.4 The analysis has been developed in the context of First Homes with the Government proposing that 25 per cent of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes (from the relevant PPG (70-001)) can be found later in this document.

¹⁶ [Government-Guidance Housing and Economic Development Needs Assessments](#)

3.15 Gross need for affordable routes to home ownership

3.15.1 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the council area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent has already been provided earlier in this section and so the discussion below is a broad example.

3.15.2 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 38 per cent already have sufficient income to buy a lower quartile home, with 13 per cent falling in the rent or buy 'gap'. The final 50 per cent are estimated to have an income below which they cannot afford to rent privately (that is, would need to spend more than the calculated threshold of their income on housing costs) although, in reality, it should be noted that many households will spend a higher proportion of their income on housing.

3.15.3 These figures have been based on an assumption that incomes in the private rented sector are around 88 per cent of the equivalent figure for all households (a proportion derived from the English Housing Survey)¹⁷ and are used as it is clear that ARHO products are likely to be targeted at households living in, or who might be expected to access, this sector (for example, newly forming households).

Table 21. Estimated proportion of households living in private rented sector able to buy and or rent market housing

Area	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
West Suffolk	38 per cent	13 per cent	50 per cent

Source: Derived from Housing Market Cost Analysis and Affordability Testing

¹⁷ [Government-Collections English Housing Survey](#) (based on consideration of data going back to 2008/9)

- 3.15.4 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income or the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (for example; if moving locations with employment)
- 3.15.5 To study current need, an estimate of the number of households living in the private rented sector (PRS) has been established, with the same (rent or buy gap) affordability test (as described above) then applied.
- 3.15.6 The start point is the number of households living in private rented accommodation; as of the Census 2021 (Home – Office for National Statistics (ons.gov.uk)) there were some 15,000 households living in the sector across the council area (renting from private landlord or letting agency).
- 3.15.7 Additional data from the EHS suggests that 60 per cent of all PRS households expect to become an owner at some point (9,000 households if applied to West Suffolk) and of these some 40 per cent (3,600 households) would expect this to happen in the next 2 years. These figures are taken as the number of households potentially with a current need for ARHO before any affordability testing.
- 3.15.8 As noted above, on the basis of income it is estimated that around 13 per cent of the private rented sector sit in the gap between renting and buying. Applying this proportion (the 13 per cent) to the above figures would suggest a current need for around 459 ARHO units (27 per annum if annualised over a 17-year period).

- 3.15.9 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future (that is, those PRS households that expect to become an owner, but not in the next two years). Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 175 dwellings (135 from newly forming households and 40 from existing households in the private rented sector).
- 3.15.10 Bringing together the above analysis suggests that there is a need for around 203 ARHO homes (priced for households able to afford to rent but not buy) per annum across the council area. This is before any assessment of the potential supply of housing is considered.

Table 22. Estimated gross need for affordable routes to home ownership (per annum)

Area	Current need	Newly forming house-holds	Existing house-holds falling into need	Total Gross Need
West Suffolk	27	135	40	203

Source: Affordable housing need calculations set out in this study

- 3.16 Potential supply of housing to meet the affordable routes to home ownership need and net need
- 3.16.1 As with the need for affordable housing for rent housing, it is also necessary to consider if there is any supply of ARHO products from the existing stock of housing. As with assessing the need for ARHO, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

- 3.16.2 One source is likely to be resales of low-cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2022 of 934 homes. If these homes were to turnover at the same rate seen for the social housing stock, then they would be expected to generate around 28 resales each year. These properties would be available for these households and can be included as the potential supply.
- 3.16.3 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in West Suffolk there were a total of 2,236 resales (that is, excluding newly built homes) in the last year (year to December 2022) and therefore around 559 would be priced below the lower quartile. This is 559 homes that would potentially be affordable to the target group for ARHO products and is a potential supply that is in excess of the level of need calculated.
- 3.16.4 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40 per cent of first-time buyers with a mortgage buy at or below the lower quartile¹⁸.
- 3.16.5 Other recent data suggests that first time buyers account for around half of home purchase loans¹⁹ with a total of around 65 per cent of all homes being bought with a loan (35 per cent as cash buyers²⁰).

¹⁸ [Thinkhouse-Site Assets Files-1614/2010](#)

¹⁹ [Mortgage Solutions News 2022/01/24-First Time Buyer-Numbers rose to nearly 410000 in 2021](#)

²⁰ [Financial Times-Cash Buyers Drive Sales and Prices in UK Housing Boom](#)

3.16.6 Bringing this together would point to 32.5 per cent of homes being bought by first-time buyers and around 13 per cent of all homes being a lower quartile home bought by a first-time buyer. This is set out in the calculation below.

- per cent of All Homes Bought with a Mortgage or Loan – 65 per cent;
- per cent of Loans to First Time Buyers – 50 per cent;
- per cent of All Homes Bought by First Time Buyers = 32.5 per cent (50 per cent of 65 per cent);
- per cent of first-time buyers with a mortgage at or below the lower quartile – 40 per cent; and
- per cent of All Homes Bought by First Time Buyers at or below the lower quartile = 13 per cent (40 per cent of 32.5 per cent)

3.16.7 This would point to around half of all lower quartile sales as being to first-time buyers (as half of 25 per cent is 12.5 per cent). Therefore, for the purposes of estimating a 'need' half of all lower quartile sales are included in the supply.

3.16.8 We can therefore now provide three alternative calculations supply which can be considered in the context of the estimated need. These are:

- ARHO resales (28 per annum);
- supply from ARHO and half of resales of lower quartile homes (307 per annum (279+28)); and
- supply from ARHO and all resales of lower quartile homes (587 per annum (559+28)).

3.16.9 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of ARHO shows a need for 175 dwellings per annum and this reduces to a surplus of 50 per cent of lower quartile sales are included. If all lower quartile sales are included in the supply, then there is a notable surplus of ARHO shown.

Table 23. Estimated net need for affordable routes to home ownership (per annum)

Measurement	ARHO resales only	ARHO resales plus 50 per cent of LQ sales	ARHO resales plus 100 per cent of LQ sales
Total gross need	203	203	203
Low-cost home ownership (LCHO)	28	307	587
Net need	175	-104	-384

Source: Affordable housing need calculations set out in this study

3.16.10 Overall, the analysis shows it is difficult to conclude what the need for ARHO is (and indeed if there is one). However, it is possible that delivery of ARHO (including First Homes) could help to ‘loosen up’ the supply of second-hand homes at the bottom end of the market (for example, below lower quartile) as they will provide a wider choice and additional ‘competition’.

3.17 Implications of the analysis

3.17.1 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of ‘affordable routes to home ownership’ – although this conclusion is largely based on only considering supply from resales of affordable housing. If supply estimates are expanded to include market housing for sale below a lower quartile price, then the need for ARHO is less clear-cut.

3.17.2 Regardless, it does seem that there are many households in West Suffolk who are being excluded from the owner-occupied sector (although they can afford private rented housing).

- 3.17.3 Trends in tenure change, which saw the number of households living in private rented accommodation increasing by 31 per cent from 2011 to 2021 (following a much higher increase in the 2001-11 period), supports this conclusion. Furthermore, over the same period (2001-11 and 2011-21), the number of owners with a mortgage has decreased.
- 3.17.4 That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (for example, if moving locations with employment).
- 3.17.5 On this basis, and as previously noted, it seems likely in West Suffolk that access to owner-occupation is being restricted by access to capital (for example; for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (for example, where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).
- 3.17.6 The NPPF (last updated in July 2021) gives a clear direction that 10 per cent of all new housing (on larger sites) should be for ARHO (in other words, if 20 per cent of homes were to be affordable then half would be ARHO).
- 3.17.7 Also, it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25 per cent affordable housing as First Homes (as a proportion of the total affordable housing), with council's being able to specify the requirement for any remaining affordable housing (subject to at least 10 per cent of all housing being for ARHO). This is discussed in more detail in the next chapter.

- 3.17.8 Firstly, regarding the 10 per cent, it is not clear that this is the best solution in the council area. The NPPF does provide some examples of where the 10 per cent might not be required (paragraph 65), most notably that the 10 per cent would be expected unless this would “significantly prejudice the ability to meet the identified affordable housing needs of specific groups”. In West Suffolk, the clear need for additional rented housing would arguably mean that providing ARHO would ‘prejudice the ability’ to meet the needs of the ‘specific group’ requiring rented accommodation.
- 3.17.9 Regarding the 25 per cent of affordable housing as First Homes, it is not clear whether there is any scope to challenge the ‘minimum of 25 per cent’, nor what role other tenures of ARHO (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of low-cost home ownership (LCHO) such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 3.17.10 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.
- 3.17.11 The evidence points to a clear and acute need for affordable housing for rent for lower income households, and it is important that a supply of affordable housing for rent is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).

3.17.12 There will also be a role for ARHO on any 100 per cent affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.

3.17.13 In addition, it should also be noted that the finding of a 'need' for ARHO does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is, therefore, no net change in the total number of households, or the number of homes required.

3.17.14 Where a household taking up ARHO is a newly forming household (for example, having been living with parents) this still does not impact on overall needs, as such a household may have been expected to move to private rented accommodation were the ownership option not available.

3.18 How much should affordable routes to home ownership homes cost?

3.18.1 The analysis and discussion above suggest there are a number of households likely to fall under the PPG definition of needing ARHO (including First Homes) – that is, in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the council may need to consider some additional homes on larger sites as some form of ARHO.

3.18.2 The analysis below focusses on shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). This section also provides some comments about Rent to Buy housing. First Homes are considered in detail in the next chapter.

3.18.3 The reason for the analysis to follow is that it will be important for the council to ensure that any ARHO is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30 per cent if the price still remains above that for which a reasonable home can already be bought in the open market. However, bigger discounts can affect the viability of affordable housing for rent.

3.19 Shared ownership

3.19.1 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a 'New Model for Shared Ownership' in early 2021 (following a 2020 consultation) – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25 per cent to 10 per cent.

3.19.2 A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a registered provider and therefore keeps monthly outgoings down.

3.19.3 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.

3.19.4 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value (OMV). Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10 per cent likely to be unavailable. The key assumptions used in the analysis are:

- OMV at LQ price plus 15 per cent (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
- 10 per cent deposit on the equity share;
- rent at 2.75 per cent per annum on unsold equity;
- repayment mortgage over 25-years at 4 per cent (this is based on typical longer-term interest rates, and it is noted at the time of writing that such a figure is unlikely to be achieved); and
- it is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent or buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

3.19.5 In rural areas, Registered Providers often have difficulties in selling 1-bedroom ARHO homes (including shared ownership) and the analysis below therefore only looks at the affordability of homes with 2+-bedrooms.

3.19.6 The table below shows that to make shared ownership affordable, equity shares in the region of around 50 per cent could work for 2- and 3-bedroom homes, with a lower figure of 35 per cent for homes with 4+-bedrooms. These figure point to shared ownership as potentially being a fairly affordable option in the local context.

3.19.7 It should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality, costs do vary across the area and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

Table 24. Estimated affordable equity share by size – West Suffolk

Measurement	2-bed	3-bed	4-bed
OMV	£230,000	£293,300	£414,000
Share	48 per cent	52 per cent	35 per cent
Equity Bought	£110,900	£153,700	£142,800
Mortgage needed	£99,800	£138,300	£128,500
Monthly Cost of Mortgage	£527	£730	£679
Retained Equity	£119,100	£139,600	£271,200
Monthly Rent on Retained Equity	£273	£320	£621
Total Cost per month	£800	£1,050	£1,300

Source: Data based on Housing Market Cost Analysis

- 3.19.8 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests a 48 per cent equity share for a 2-bedroom home, this is based on a specific set of assumptions. Were a scheme to come forward with a 48 per cent share, but a total cost in excess of £800 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis. That said, higher levels of outgoings might still be affordable to a household at the midpoint of the rent or buy gap but would be limited in affordability terms to a smaller number of households.

3.20 Rent to Buy

- 3.20.1 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home²¹. Initially (typically two years but this can be extended) a home will be provided at the equivalent of an Affordable Rent (approximately 20 per cent below the market rate). The expectation is that the discount provided is saved in order to put towards a deposit on the purchase of the same or another property – the purchase can include buying through shared ownership.
- 3.20.2 What is not clear from information available is what happens to the home if the occupant is unable to buy a home and vacates the property (that is, is it still offered to another applicant at a rent 20 per cent below market value) or what happens to any receipts if the home is sold. On this basis, whilst rent-to-buy may provide a route into home ownership for some households it will be important to check any proposals carefully, and to ensure any discount or funding is held in perpetuity where public grant funding is provided (this would be necessary to meet the requirements of the NPPF).

²¹ <https://www.gov.uk/rent-to-buy>

Affordable housing need: conclusions and recommendations

- Analysis has been undertaken to estimate the annual need for affordable housing in West Suffolk. The analysis is split between a need for affordable housing for rent accommodation (based on households unable to buy or rent in the market) and the need for affordable routes to home ownership (ARHO) – this is housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs, to both buy and rent, along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of affordable housing for rent housing. For ARHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy or rent, the analysis suggests a need for 505 affordable homes for rent per annum across the council area.
- Despite the level of need, it is not considered that this points to any requirement for the council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need, of all tenures, is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing, and therefore do not generate a net additional need for a home. That said, the level of affordable need does suggest the council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both Social and Affordable Rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit or Universal Credit.

- That said, it is, however, clear that Social Rents are more affordable than Affordable Rented homes and could benefit a wider range of households – Social Rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at ARHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in West Suffolk who are being excluded from the owner-occupied sector, as evidenced by increases in the size of the private rented sector, it is likely that a key issue in the council area is about access to capital (for example, for deposits, stamp duty, legal costs) and potential mortgage restrictions (for example, where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of ARHO, notably shared ownership as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the council will need to consider the relative levels of need and also viability issues.
- This should recognise, for example, that providing ARHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for affordable housing for rent are likely to have more acute needs and fewer housing options.
- Overall, the analysis identifies a notable need for affordable housing for rent, and it is clear that provision of new affordable housing for rent is an important and pressing issue in the area.

- It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

4.0 First Homes

4.1.1 The following sub-section sets out the evidence, seeking to identify the level of discount to the open market value (OMV) of new-build dwellings that would be required to make First Homes (FH) affordable to local people in West Suffolk (bearing in mind the impact this could have on the provision of Social Rented units). This will enable the council to adopt a suitable policy position in respect of First Homes.

- The sub-section is structured as follows:
- a brief review of national policy;
- explanation of the price cap;
- the target groups for First Homes; and
- discount levels based on households within the 'rent or buy' gap and the district income distribution.

i. National policy

4.1.2 PPG on First Homes sets out that the minimum discount should be 30 per cent from the open market value (OMV) with local authorities having the discretion to increase the discount to 40 per cent or 50 per cent.²² The guidance goes on to state that local authorities can apply eligibility criteria (such as lower-income caps) as part of the section 106 agreements in addition to the national criteria.²³

4.1.3 First Homes are similar to discounted market sales (a product currently within the NPPF), although for discounted market sale products a discount of at least 20 per cent (rather than 30 per cent) from OMV is required.

²² PPG (First Homes) Ref ID: 70-004

²³ PPG (First Homes) Para 008 Ref ID: 70-008

4.1.4 A problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than some housing available in the open market (including housing priced around the lower quartile). This is often the case as new-build housing itself attracts a premium. According to recent research at the national level, this has historically been around 15 per cent.

ii. The price cap

4.1.5 According to PPG, the sale price of a First Homes must not exceed £250,000 after the discount has been applied.²⁴

4.1.6 The tables below set out the sale prices of homes priced around the median in West Suffolk at the open market value (OMV) and at three levels of discount: 30 per cent, 40 per cent and 50 per cent.

Table 25. First Homes – prices after discounts applied by dwelling sizes

Sizes	Mean house price	Discount range – 30 per cent	Discount range – 40 per cent	Discount range – 50 per cent
Studio or 1-bed	£150,800	£105,560	£90,480	£75,400
2-bed	£227,227	£159,059	£136,336	£113,614
3-bed	£320,233	£224,163	£192,140	£160,116
4-bed	£475,850	£333,095	£285,510	£237,925

Source: ONS Mean house prices for administrative geographies:

[Nomisweb.co.uk – Mean house prices for administrative geographies – HPSSA dataset 12](https://nomisweb.co.uk/mean-house-prices-for-administrative-geographies-hpssa-dataset-12)

4.1.7 The table indicates that studio, 1, 2 and 3 bedroom dwellings in West Suffolk discounted by 30-50 per cent would fall within the £250k price ceiling.

²⁴ PPG (First Homes) Para 002 Ref ID: 70-002

- 4.1.8 With the greatest discount of 50 per cent, 4-bedroom homes will also fall within the threshold.
- 4.1.9 However, 4-bedroom dwellings discounted by only 30 or 40 per cent will not fall within the PPG price ceiling since the OMV is relatively high (around £475,000).
- 4.1.10 In these circumstances, the preferred approach is to set out the affordability of different sizes of First Homes by the number of bedrooms to households on a range of incomes.

iii. Target groups

- 4.1.11 As noted in the previous chapter, to establish the need for affordable routes to home ownership (ARHO), PPG sets out the wider definition of those to be considered as in affordable need including;
- 4.1.12 “Households which can afford to rent in the private rental market but cannot afford to buy despite a preference for owning their own home”.²⁵
- 4.1.13 However, currently, there is no guidance about how the number of such households should be measured.
- 4.1.14 Therefore, in order to identify households potentially suited to First Homes , this sub-section uses the same methodology used earlier in this report to identify those households for whom ARHO products as a whole are likely to be suitable, namely, those that fall into the ‘rent or buy gap’ (the gap between the ability to afford lower quartile rents in the private sector and buying a new-build market dwelling of the same size).
- 4.1.15 As noted in chapter 3, it is estimated that around 13 per cent of private renter households are in the ‘rent or buy gap’.

²⁵ PPG (Housing needs of different groups) Ref ID: 67-005

iv. Discounts derived from private rents

- 4.1.16 In order to arrive at the level of discount that would enable households in the 'rent or buy gap' to afford to buy, the approach taken in this chapter is to identify a range. This is so as to reflect the income distribution of households in the gap and to make First Homes accessible to as many as possible.
- 4.1.17 Those households able to just afford a dwelling priced around the lower quartile (LQ) in the PRS represent the lower level of the First Homes discount range.
- 4.1.18 The upper end of the range is derived from the price at the mid-point between a home whose value reflects the amount a household currently renting could afford and dwellings prices around the median.
- 4.1.19 The 'home budget' (the amount of money for home purchase available to a given household) for households able to afford LQ homes in the PRS can be derived from the income required to access this housing. The method is set out below in relation to a 2-bedroom home:
- The latest Private Rental Market Statistics show that the LQ rent for a 2-bedroom home in West Suffolk is £800 per calendar month (pcm). Also, an assumed service charge of £130 per calendar month should be added to this rent.
 - In line with the affordability threshold analysis in the last chapter, on the basis that a household spends no more than 30 per cent of their income on housing, a household would need a net income of around £3,100 per month $((£1,250 + £130)/0.35)$ or £37,200 per annum to afford the lower quartile rent for a 2-bedroom home.
 - The above is a net figure; assuming the net figure is 70 per cent of the gross figure, gross income would be £53,143 $(£37,200/0.7)$.

- Mortgage lending limits are usually calculated based on gross income. Therefore, with an income of £53,143, it is estimated that a household could afford to buy a home for around £265,714. This is based on assuming a 10 per cent deposit and a loan to income ratio of 4.5 – calculated as $£53,143 \times 4.5 / 0.9$.

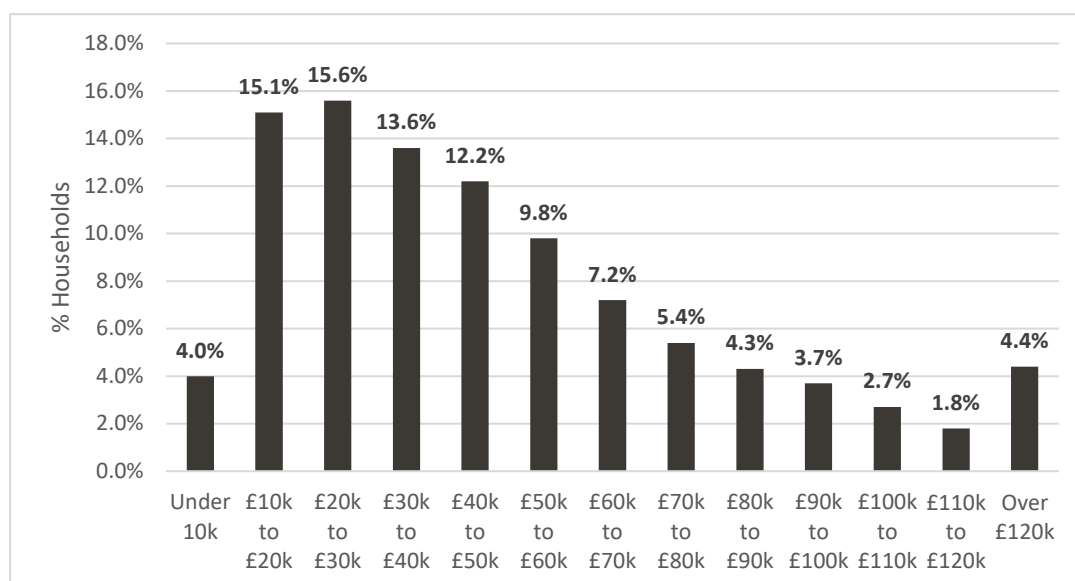
4.1.20 Therefore, £265,714 is a suggested maximum purchase price to make First Homes affordable for households who can rent a 2-bedroom LQ home but not buy in West Suffolk. This figure is essentially the equivalent price that is affordable to a household that can just afford to rent a 2-bedroom home privately.

4.1.21 Given that with a discount, dwellings of all sizes fall well within this threshold, this suggests that accessing First Homes may enable households in the PRS not only to economise on their housing costs, but also potentially access a larger home that they are currently able to do.

v. Income-led discounts

4.1.22 The question of the level of discount derived from the income distribution in West Suffolk is examined in more detail in the paragraphs to follow. As noted in the previous chapter, the income distribution in West Suffolk shows the median household income was around £41,300 in 2022.

Figure 4. Income bands: West Suffolk



Source: LSH calculations

4.1.23 The table below sets out the level of discount required for 'for-sale' homes priced around the mean to be affordable to households based on incomes ranging from £10,000 to £80,000 at £5,000 intervals. The upper-income threshold (£80k) is based on the national eligibility criteria for purchasing First Homes as set out in PPG.²⁶

²⁶ PPG (First Homes) Ref ID:70-007

Table 26. Discounts that are required for median house prices to be affordable to the target group

Income level	Home budget ²⁷	First Home (Mean for sale) ²⁸				Discount required			
		1bed	2 bed	3 bed	4 bed	1bed	2 bed	3 bed	4 bed
£10,000	£62,342	£173,420	£261,311	£368,268	£547,228	64 per cent	76 per cent	83 per cent	89 per cent
£15,000	£84,842	£173,420	£261,311	£368,268	£547,228	51 per cent	68 per cent	77 per cent	84 per cent
£20,000	£107,342	£173,420	£261,311	£368,268	£547,228	38 per cent	59 per cent	71 per cent	80 per cent
£25,000	£129,842	£173,420	£261,311	£368,268	£547,228	25 per cent	50 per cent	65 per cent	76 per cent
£30,000	£152,342	£173,420	£261,311	£368,268	£547,228	12 per cent	42 per cent	59 per cent	72 per cent
£35,000	£174,842	£173,420	£261,311	£368,268	£547,228	-1 per cent	33 per cent	53 per cent	68 per cent
£40,000	£197,342	£173,420	£261,311	£368,268	£547,228	-14 per cent	24 per cent	46 per cent	64 per cent
£45,000	£219,842	£173,420	£261,311	£368,268	£547,228	-27 per cent	16 per cent	40 per cent	60 per cent
£50,000	£242,342	£173,420	£261,311	£368,268	£547,228	-40 per cent	7 per cent	34 per cent	56 per cent
£55,000	£264,842	£173,420	£261,311	£368,268	£547,228	-53 per cent	-1 per cent	28 per cent	52 per cent
£60,000	£287,342	£173,420	£261,311	£368,268	£547,228	-66 per cent	-10 per cent	22 per cent	47 per cent
£65,000	£309,842	£173,420	£261,311	£368,268	£547,228	-79 per cent	-19 per cent	16 per cent	43 per cent
£70,000	£332,342	£173,420	£261,311	£368,268	£547,228	-92 per cent	-27 per cent	10 per cent	39 per cent
£75,000	£354,842	£173,420	£261,311	£368,268	£547,228	-105 per cent	-36 per cent	4 per cent	35 per cent
£80,000	£377,342	£173,420	£261,311	£368,268	£547,228	-118 per cent	-44 per cent	-2 per cent	31 per cent
£85,000	£399,842	£173,420	£261,311	£368,268	£547,228	-131 per cent	-53 per cent	-9 per cent	27 per cent
£90,000	£422,342	£173,420	£261,311	£368,268	£547,228	-144 per cent	-62 per cent	-15 per cent	23 per cent
£95,000	£444,842	£173,420	£261,311	£368,268	£547,228	-157 per cent	-70 per cent	-21 per cent	19 per cent

4.1.24 The colour coding illustrates the depth of discount required with the deeper red indicating a higher discount to achieve affordability. The darker the blue, the smaller the discount. A negative number indicates a discount would not be required for a dwelling of this size to be affordable to a household at that income level. These households are unlikely to select the First Homes given the legal restrictions that are applied to them.

4.1.25 The table above shows that no sizes of dwelling would be accessible for households of income level lower than £15,000 per annum within the discount range permitted for First Homes.

²⁷ The 'Home Budget' is 4.5 times household income plus access to a deposit of around £17,342 (10% of a 1- bedroom flat priced around the mean).

²⁸ Mean 'for-sale' house prices have been arrived at by taking the average median prices achieved in the second-hand market and adding 15% to allow for a new-build premium.

- 4.1.26 To be affordable to a household between £20,000 per annum to £30,000 per annum, a studio or 1- bedroom flat would need to be discounted by 30 per cent to 40 per cent. At the greatest discount level (50 per cent), 2-bedroom dwellings are accessible to a household within this income range.
- 4.1.27 The modelling to follow considers how many households would benefit from a discount of 30 per cent to the OMV of a two-bedroom home in West Suffolk.
- 4.1.28 As set out in the table above, the median price of a 2-bedroom home is £261,311. As noted, the gross income required to afford a dwelling of this size is around £53,000.
- 4.1.29 As shown in the table below, based on the income distribution presented earlier, 33,154 households are unable to afford a dwelling priced at this level (that is, their total gross income is less than £53,000).
- 4.1.30 In the event the price of this home fell by 30 per cent to £159,059, the gross income to afford a dwelling of this size would be around £32,000.
- 4.1.31 As shown in the table below in the event of a 30 per cent discount reducing the price of this dwelling to roughly £160,000, 13,598 of the 33,154 households formerly unable to afford would be able to do so. This is the equivalent of 26 per cent of all households (rounded).

Table 27. Households benefitting from a 30 per cent discount

Number of households	Where household income is < 53K	Where household income is < 32K (after 30 per cent discount is applied)	Number of households who can now afford after 30 per cent discount is applied	Per cent of household brought within affordability after discount applied
52,155	33,154	19,556	13,598	26.1 per cent

Source: Census 2021 (Home – Office for National Statistics (ons.gov.uk))

[Nomisweb.co.uk](https://nomisweb.co.uk) – RM066 – Living arrangements by age – Household Reference Person

- 4.1.32 The evidence suggests that First Homes would enable households who earn substantially less than the median income of £41,300 to access dwellings suited to their needs. The principal barrier for these households is likely to be the substantial deposit required (likely to be around £17,000 for a 1-bedroom dwelling and in excess of £26,000 for a 2-bedroom dwelling).
- 4.1.33 For households on higher incomes, the provision of First Homes has the potential to make a wider range of sizes of dwellings available. For example, for a household of around £45,000 per annum, a 3-bedroom dwelling would be available in the event the discount applied was 40 per cent.
- 4.1.34 For those households with the highest income level of £80,000 in the table above to be eligible for the First Homes, a 4-bedroom dwelling would be affordable at 50 per cent discount. That said, as noted, the post-discount sale price of a 4-bedroom home if valued at a mean price (£282,510) would exceed the threshold of £250,000.

First Homes: conclusions and recommendations

- This chapter identifies the level of discount to the value of new-build dwellings that would be required to make First Homes (FH) affordable to local people. It identifies the impact this could have on the provision of Social Rented units.
- In answering the question, this chapter focuses on those households that fall into the 'rent or buy' gap, noting that different households will require different levels of support to access the 'for-sale' market.
- This report assumes that households able to afford LQ PRS dwellings are the core target market for First Homes. This is because providing households with a route out of rented accommodation and into home ownership is the main policy objective of the First Homes policy.
- Analysis has been undertaken to assess whether First Homes would be affordable given the household income distribution in West Suffolk. This provides guidance as to the level of discount that would be appropriate to enable households on certain incomes to access homeownership.

Households that have an income of;

- below £15k per annum would not be able to afford any size of First Homes;
- between £20k-30k per annum would be able to afford a 1-bedroom size dwelling priced around the mean where discounts of 30-40 is applied to the OMV price;
- between £30-40,000 a household would be able to afford a First Homes of 2-bedrooms with a discount of around 30 per cent;
- for those households earning between £40 - £55,000 First Homes could enable them to afford a larger dwelling (for example a 3- rather than a 2-bedroom home) than they would otherwise be able to afford.

- Households earning more than £60,000 would be unlikely to be interested in First Homes given that they are likely to be able to afford a home at OMV and 4-bedroom homes would not be eligible as they are likely to exceed the price cap.
- The income-led discounts highlight that a range of dwellings would be affordable to households on mid-range incomes (between £30,000 and £55,000) given that the First Homes discount could enable these households to afford larger dwellings than would otherwise be achievable (and possibly elsewhere in the Housing Market Area (HMA)).
- The income distribution data indicates that a large minority of the district population falls into this category, some 30 per cent of the population.
- As regards the need for other affordable products, it should be noted that 19.01 per cent of West Suffolk's households have an income that is below £20,000 per annum. It is appropriate to provide alternative rental housing options (for example, Social or Affordable Rent) or consider intermediate housing policy (for example, shared ownership) for these households since the gap between the home buying budget and the market price of these income groups is large.

First Homes policy options

- Where the council is seeking a discount that is greater than 30 per cent, consideration should be given to whether this might prejudice the viability of providing other forms of affordable housing (such as Social Rented homes or shared ownership) given that funds available for affordable homes from s106 agreements are finite.
- It might be more appropriate to apply local eligibility criteria (such as income caps) case-by-case as part of section 106 agreements. That is to say, create the opportunity to apply a discount greater than 30 per cent on specific sites.

- In such a case, the discount level would be driven off the affordability of First Homes to households on specific income bands. This would provide an opportunity to determine the level of discount on a case-by-case basis rather through a one-size-fits-all approach.
- Following PPG, once a minimum of 25 per cent of First Homes has been accounted for, Social Rent products should be delivered in accordance with the relevant policy in the Local Plan. This means that Affordable Rent and ARHO tenures such as shared ownership (as defined in Annex 2 of the NPPF) would be reduced to allow for First Homes (that is, providing 25 per cent of First Homes will result in a corresponding reduction in Affordable Rented housing and Shared Ownership provision).
- However, to ensure that households with lower income levels are able to access ARHO products, Shared Ownership should be retained in the affordable housing mix.

5.0 Housing mix

5.1 Introduction

5.1.1 This section provides guidance as to an appropriate mix of housing in West Suffolk having regard to opportunities for larger and more aspirational housing, family housing and smaller units.

5.1.2 This section firstly examines a range of statistics in relation to families (generally described as households with dependent children²⁹) and, secondly, sets out how demographics within the study area are projected to change between 2020 and 2040.

5.1.3 The section then goes on to provide a recommended housing mix, broken down by size and tenure of home, based on occupancy trends exhibited by households of different age groups within the Census 2021 (Home – Office for National Statistics (ons.gov.uk)). The mix seeks to reflect local evidence with reference to the trends within the age structure and levels of over-crowding and under-occupation in West Suffolk.

5.2 Background data

5.2.1 Households with dependent children are defined for this assessment as any household which contains at least one dependent child.

²⁹ A dependent child is any person aged 0 to 15 in a household (whether or not in a family) or a person aged 16 to 18 in full-time education and living in a family with his or her parent(s) or grandparent(s). It does not include any people aged 16 to 18 who have a spouse, partner or child living in the household.

5.2.2 The table below shows Census 2021 (Home – Office for National Statistics (ons.gov.uk)) data for the number of households with and without dependent children in West Suffolk, using the Housing Market Area (HMA), the East of England region and England as reference geographies. Within tables to follow, the total of married couple, co-habiting couple and lone parent and ‘other’ equals the total ‘Households with Dependents’.

5.2.3 The table highlights that the number of families with dependent children in West Suffolk amounted to 25.9 per cent in 2021. This is lower than the HMA which totalled 27.5 per cent of households. This proportion is slightly lower than both the regional (29 per cent) and the national average (28.5 per cent).

Table 28. Households with dependent children (2021) – West Suffolk, HMA, East of England and England

Location	Number of households			Households with Dependents			
	Without Dependents	With Dependents	Total	Married Couple	Cohabiting Couple	Lone Parent	Other
West Suffolk	58,372	20,374	78,746	11,206	3,504	4,356	1,308
West Suffolk	74.1 per cent	25.9 per cent	100 per cent	14.2 per cent	4.4 per cent	5.5 per cent	1.7 per cent
HMA	258,512	97,865	356,377	55,944	15,650	19,456	6,815
HMA	72.5 per cent	27.5 per cent	100 per cent	15.7 per cent	4.4 per cent	5.5 per cent	1.9 per cent
East region	71 per cent	29 per cent	100 per cent	15.5 per cent	4.8 per cent	6.3 per cent	2.4 per cent
England	71.5 per cent	28.5 per cent	100 per cent	14.4 per cent	4.5 per cent	6.9 per cent	2.7 per cent

Source: Census 2021 (Home – Office for National Statistics (ons.gov.uk)),

[Nomisweb.co.uk](https://nomisweb.co.uk) - TS003 – Household composition

- 5.2.4 The table below shows the change in the number of households with dependent children from 2011 to 2021 in West Suffolk. This shows that the number of households with dependent children increased by 0.2 per cent. This compares with an increase of 10.6 per cent in all households.

Table 29. Change in households with dependent children (2011-21) – West Suffolk

Year / Change	Without Dependents	With Dependents	Total	With Dependents			
				Married Couple	Cohabiting Couple	Lone Parent	Other
2011	50,842	20,336	71,178	11,701	2,996	4,234	1,405
2021	58,372	20,374	78,746	11,206	3,504	4,356	1,308
Change	7,530	38	7,568	-495	508	122	-97
per cent	14.8 per cent	0.2 per cent	10.6 per cent	-4.2 per cent	17.0 per cent	2.9 per cent	-6.9

Source: Census 2011 and 2021 (Home – Office for National Statistics (ons.gov.uk))

[Nomisweb.co.uk - KS105EW – Household composition](https://nomisweb.co.uk/ks105ew) and [Nomisweb.co.uk - TS003 – Household composition](https://nomisweb.co.uk/ts003)

- 5.2.5 Within this, for families with dependent children, there was a large increase in the number of cohabiting couples (17 per cent), and a small increase for lone parents (2.9 per cent). ‘Other’ households with dependent children decreased by 6.9 per cent, as did married couples by 4.2 per cent. ‘Other households’ includes dwellings where two or more unrelated adults share accommodation, such as houses in multiple occupation (HMOs).

5.2.6 Overall, in West Suffolk, cohabiting couples with dependent children experienced the largest increase over the 10-year period, and 'other' households with dependent children experienced the largest decrease. The table below shows the projected change to the number of children (aged 15 or under) from 2020 to 2040, as indicated by the population projection linked to the standard method. The projections foresee a notable increase (17 per cent, rounded) in the number of children within both West Suffolk and the wider HMA. This is explained in part by families moving into newly built homes in the study area who tend to be of child- bearing age.

Table 30. Estimated change in the population of dependent children (2020- 2040) - West Suffolk and HMA

Local Authority	2020	2040	Change	per cent
West Suffolk	34,340	40,128	5,788	16.90 per cent
HMA	158,369	184,952	26,583	16.80 per cent

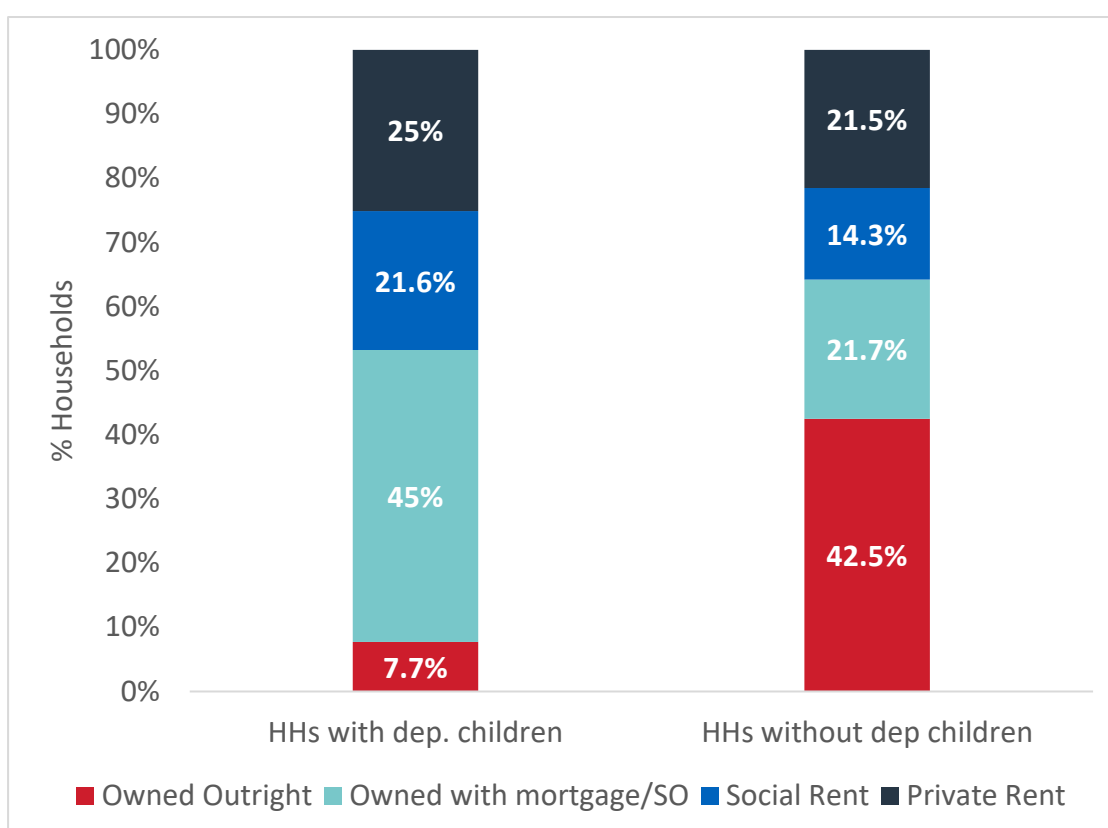
Source: ONS and derived from demographic modelling

5.2.7 The table below shows the tenure of households with dependent and non-dependent children in 2021³⁰. 45 per cent of households with dependent children occupy their dwellings with mortgage, loan or are in a shared ownership agreement, compared to only 21.7 per cent of households without dependent children.

³⁰ non-dependent children are those living with their parent(s), and either aged 19 years or over, or aged 16 to 18 years who are not in full-time education or who have a spouse, partner or child living in the household. Non- dependent children are sometimes called 'adult children'.

5.2.8 Conversely, 42.5 per cent of households without dependent children own their homes outright, compared to only 7.7 per cent of those with dependent children. This not only highlights the strong link between household tenure and composition, but also illuminates that households with dependent children are more likely to be younger and have not yet paid off their mortgage. The high proportion of households without children who own their home outright are likely to be older households.

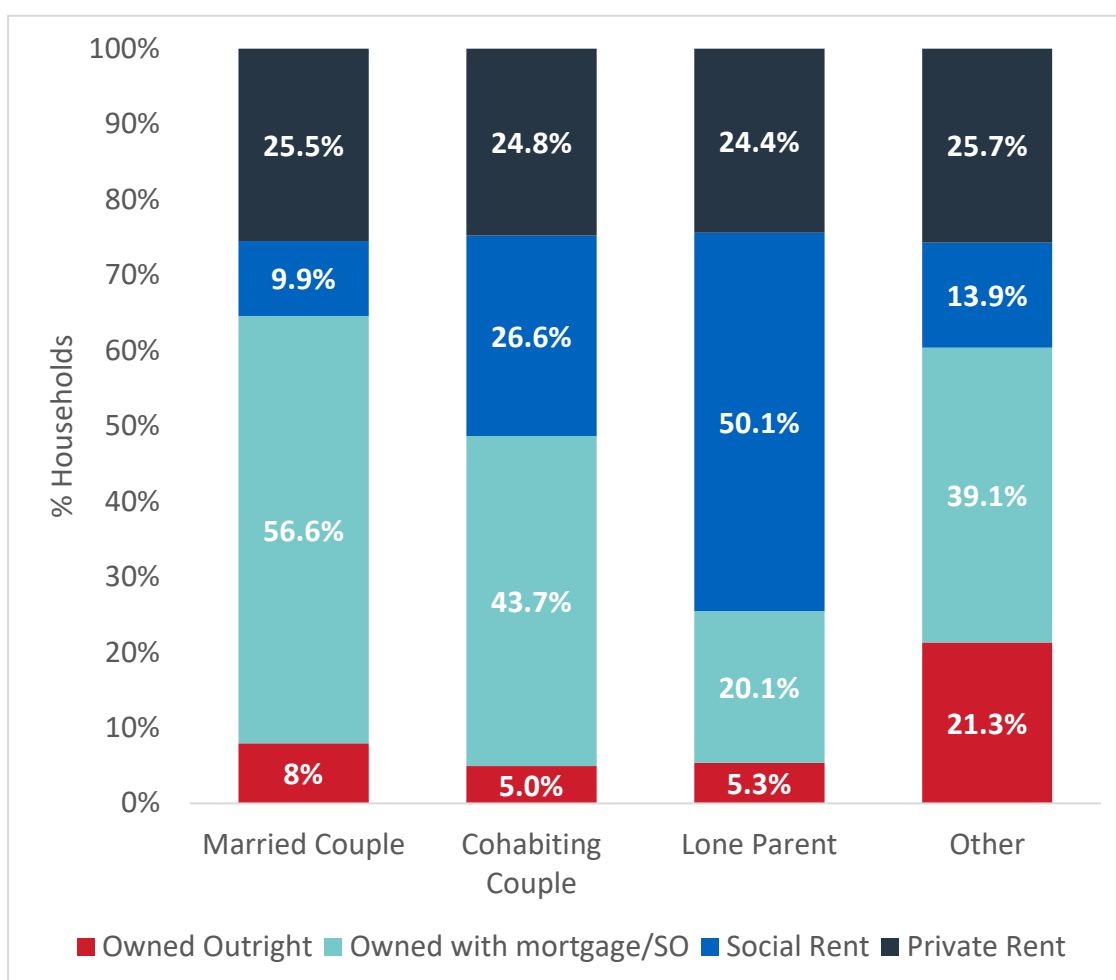
Figure 5. Tenure of households with and without dependent children



Source: Census 2021 (Home – Office for National Statistics (ons.gov.uk)),
[Nomisweb.co.uk - RM135 - Tenure by household composition](https://nomisweb.co.uk - RM135 - Tenure by household composition)

5.2.9 The figure below shows tenure of households with dependent children, broken down by household composition. This shows that a very high proportion of lone parents live in the Social Rented sector (50.1 per cent), whereas a high proportion of married couples (56.6 per cent) own their home by way of a mortgage or loan or they are in a shared ownership agreement. This compares to 20.1 per cent of lone parents who do so.

Figure 6. Tenure of households with dependent children



Source: Census 2021 (Home – Office for National Statistics (ons.gov.uk)),
[Nomisweb.co.uk - RM135 - Tenure by household composition](https://nomisweb.co.uk/RM135-Tenure-by-household-composition)

5.2.10 The table below shows the number of households in West Suffolk and the HMA with non- dependent children. In total, some 8.7 per cent of households in West Suffolk contained non-dependent children as of 2021, compared to 9 per cent in the HMA.

5.2.11 This indicates the difficulties faced by a significant minority of young people in accessing housing. As a result of being deemed a low priority for social housing and having few options in the private sector on account of a low income, young people may need to remain in the parental home.

5.2.12 That said, the proportion of households with non-dependent children in the study area is, however, slightly lower than that seen in the East of England (10.6 per cent) and England (10.5 per cent).

Table 31. Households with non-dependent children (2021) – West Suffolk, HMA, East of England and England

Location	Number of households			Households with Non-Dependents		
	With Non-Dependents	Without Non-Dependents	Total	Married Couple	Co-habiting Couple	Lone Parent
West Suffolk	6,837	71,909	78,746	3849	534	2454
West Suffolk per cent	8.70 per cent	91.30 per cent	100 per cent	4.90 per cent	0.70 per cent	3.10 per cent
HMA	32,053	324,324	356,377	18,290	2,282	11,481
HMA per cent	9.00 per cent	91.00 per cent	100 per cent	5.10 per cent	0.60 per cent	3.20 per cent
East of England per cent	10.60 per cent	89.40 per cent	100 per cent	5.90 per cent	0.80 per cent	3.90 per cent
England per cent	10.50 per cent	89.50 per cent	100 per cent	5.60 per cent	0.70 per cent	4.20 per cent

Source: Census 2021 (Home – Office for National Statistics (ons.gov.uk)),

[Nomisweb.co.uk - TS003 – Household composition](https://nomisweb.co.uk - TS003 – Household composition)

- 5.2.13 The table below shows that the number of households with non-dependent children increased at a greater rate in West Suffolk than all other households from 2011 to 2021.
- 5.2.14 In total, the number of households with non- dependent children increased by 11.3 per cent with just under half of this being in cohabiting couple families. This is lower than the HMA in which a higher percentage increase in non-dependent families of 16.7 per cent was recorded over this period.
- 5.2.15 That said, the data also shows that West Suffolk saw a higher percentage increase in cohabiting couples with non-dependents (47.1 per cent) compared with the wider HMA (43.2 per cent), a variation of 3.9 per cent.
- 5.2.16 Within both geographies this reinforces the evidence of new households struggling to form.

Table 32. Change in households with non-dependent children (2011-21) – West Suffolk and HMA

Location	No. Households			Households with non-dependents			
	Year / Change	Total	With Non Depdts	Without Non Depdts	Married Couple	Cohabiting Couple	Lone Parent
West Suffolk	2011	71,178	6,145	65,033	3,689	363	2,093
	2021	78,746	6,837	71,909	3,849	534	2,454
	Change	7,568	692	6,876	160	171	361
	per cent	10.6 per cent	11.3 per cent	10.6 per cent	4.3 per cent	47.1 per cent	17.2 per cent
HMA	2011	322,419	27,468	294,951	17,106	1,594	8,768
	2021	356,377	32,053	324,324	18,290	2,282	11,481
	Change	33,958	4,585	29,373	1,184	688	2,713
	per cent	10.5 per cent	16.7 per cent	10.0 per cent	6.9 per cent	43.2 per cent	30.9 per cent

Source: Census 2011 and 2021 (Home – Office for National Statistics (ons.gov.uk)), [Nomisweb.co.uk - KS105EW Household composition](https://nomisweb.co.uk/KS105EW) and [Nomisweb.co.uk - TS003 – Household composition](https://nomisweb.co.uk/TS003)

5.3 Projected changes

5.3.1 The analysis below also looks at projected changes to households by household type as presented in the demographic projections prepared for the 2021 study.

5.4 West Suffolk

5.4.1 The table below sets out the projected change in household types in West Suffolk and the HMA over the period 2020-40. Both geographies share similar trends as regards change in older person households. Growth in the former is 77 per cent over the period (8,327 additional households) and 95 per cent (44,742 additional households) in the latter. This constitutes 54 per cent and 50 per cent of overall growth in each geography respectively.

- 5.4.2 Also, there is projected to be an increase of 16.5 per cent in the number of households with dependent children (3,857 additional households) in West Suffolk, with a similar trend in the HMA (21 per cent or 22,039 additional households). This equates to around 25 per cent and 24 per cent of all growth in West Suffolk and the HMA respectively.
- 5.4.3 The three categories for dependent children indicate, as with trends at the HMA level, that the majority of the growth in households with dependent children relates to those with one child. Growth within this group constitutes 90 per cent of all overall growth in households with dependent children in West Suffolk and 71 per cent within the HMA.
- 5.4.4 Also, 'other' households are projected to increase substantially in West Suffolk (55.5 per cent of 2,976 additional households). Again, this trend is repeated at the HMA level. This category includes homes in multiple occupation (HMO).
- 5.4.5 Lastly, it is also worth noting that couples aged under 65 are forecast to fall in number in West Suffolk (by -16.9 per cent or 1,925 fewer households). This is the only household cohort that is expected to decline in number. As with the other cohorts, this trend is also discernible at the HMA level, although to a lesser extent (-12.5 per cent or 6,744 fewer households).

Table 33. See APPENDIX 1

- 5.5 The mix of housing
 - 5.5.1 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the Standard Method-based housing need figure, it is possible to see which age groups are expected to change in number, and by how much.

- 5.5.2 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is possible to forecast the profile of housing needed over the period 2020 to 2040.
- 5.5.3 It should be noted that the modelled approach reflects occupancy patterns as of the Census 2021 (Home – Office for National Statistics (ons.gov.uk)). We recognise that this may not be the best use of accommodation and, therefore, may not best meet local needs. For example, it would perpetuate current levels of under-occupation and overcrowding.
- 5.5.4 Our conclusions take the outputs from the model and adjust them taking into account other factors (such as that related to the turnover of smaller affordable homes, the need for family-sized affordable homes and the under-occupation of private homes) to get to a recommended mix. The range of factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of the demand for different types, tenures and sizes of homes.
- 5.5.5 However, while we make recommendations it will ultimately be for the council to write into policy the approach which best meets their local circumstances. This could reflect, for example, a desire for further downsizing or seeking to concentrate supply in existing urbanized areas (both of which would be likely to lead to more smaller homes being built).
- 5.5.6 Furthermore, it may be a reasonable policy choice to ensure optimal use of the existing stock. This would require the delivery of additional smaller homes (or specialist accommodation) than the modelling would suggest given that this would encourage downsizing from under-occupied properties. This could result, for example, in properties suitable for family use being released into the market.

5.5.7 An important starting point is to understand the balance of sizes of home in West Suffolk across different tenures and how this compares with other geographical areas. The table below sets out data drawn from the Census 2011 and 2021 (Home – Office for National Statistics (ons.gov.uk)) across the West Suffolk, the HMA in which it sits, the Eastern Region and England.

5.6 Owner-occupied

5.6.1 The data related to the owner-occupied sector shows substantial growth in larger dwellings (particularly 4-bedroom homes) within West Suffolk. This is also true for the wider HMA, the Eastern region and England.

5.6.2 This is in contrast with the smaller dwellings where a contraction of supply can be observed. In West Suffolk, this change has been marginal (for example a -0.4 per cent change for 2-bedroom dwellings). A similar trend can be seen within the other geographies, although the England average indicates a total fall in in the number of 1- and 2-bedroom homes of 3.1 per cent and 4.8 per cent respectively.

5.7 Social and Affordable Rented

5.7.1 The number of Social Rent dwellings (the data in the table below includes Social and Affordable Rented tenures) in West Suffolk has increased over the decade (15.1 per cent). This growth has been distributed across a wide range of sizes of home, with the greatest growth seen in 2-bedroom dwellings (21.1 per cent). This compares favourably with the comparator geographies, for example the number of units for Social Rent have only increased in England by 2.6 per cent over the period.

5.8 Private rented

- 5.8.1 The private rented sector has seen a substantial growth in the number of properties over the period. This is the case across all geographies. Within West Suffolk, this growth has been balanced across all sizes of home, although 3-bedroom units reflected the greatest growth at 24 per cent.

Table 34. Projected Change in Households by Age of Household Reference Person in West Suffolk, 2020-40

Age	2020	2040	Change	per cent
16-24	2,334	2,859	524	22.5 per cent
25-29	4,776	5,179	403	8.4 per cent
30-34	6,002	6,052	50	0.8 per cent
35-39	6,250	6,510	260	4.2 per cent
40-44	5,904	6,616	711	12.0 per cent
45-49	6,397	6,923	526	8.2 per cent
50-54	7,022	6,738	-283	-4.0 per cent
55-59	6,981	7,094	113	1.6 per cent
60-64	6,180	7,077	897	14.5 per cent
65-69	5,847	7,743	1,896	32.4 per cent
70-74	6,387	8,281	1,895	29.7 per cent
75-79	4,854	7,452	2,598	53.5 per cent
80-84	3,921	5,967	2,046	52.2 per cent
85 & over	3,939	7,838	3,900	99.0 per cent
Total	76,794	92,328	15,534	20.2 per cent

Source: Demographic projections

5.9 Overview of methodology

5.9.1 The method to consider future housing mix looks at the ages of the Household Reference Persons (often called the head of the household) and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

5.10 Understanding how households occupy homes

5.10.1 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households can buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

5.10.2 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single-person households does not automatically translate into a need for smaller units.

5.10.3 That said, issues of supply can also impact occupancy patterns, for example, it may be that a supply of additional smaller units (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.

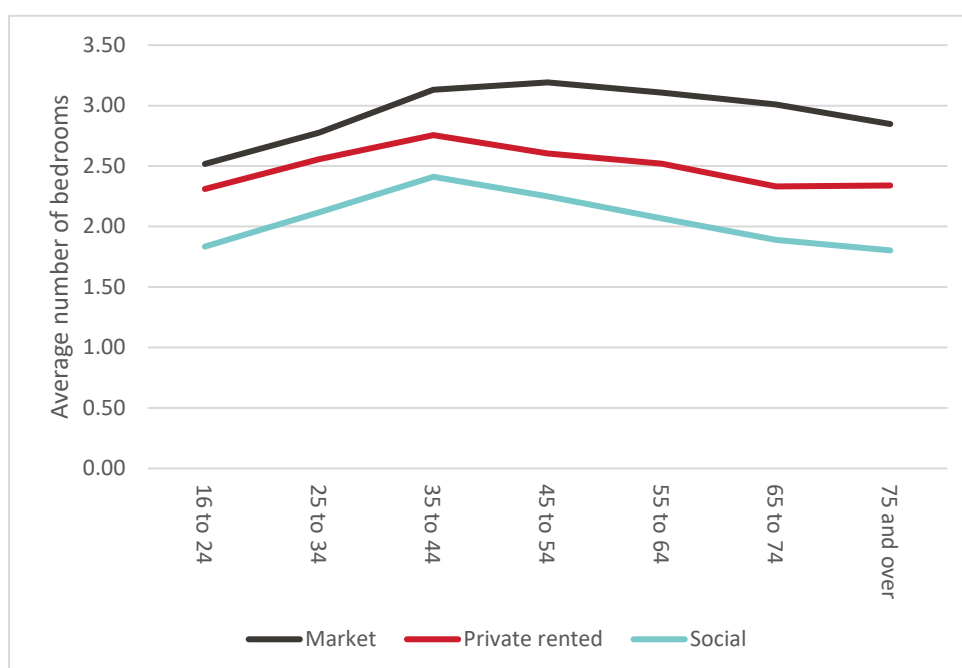
- 5.10.4 The issue of choice is less relevant in the affordable sector. In this sector the size of home a given household is allocated is based on the size of the household. Those of working age on welfare benefits living in affordable housing for rent housing are subject to the social sector size criteria³¹ (SSSC). This determines the amount of Housing Benefit or housing element of Universal Credit they receive. The calculation is based on
- the number of people living there;
 - their relationships; and
 - the number of bedrooms in the dwelling.
- 5.10.5 The SSSC applies if the household has more bedrooms than is needed based on the composition of the resident household.³²
- 5.10.6 Furthermore, for those not on benefits but on relatively low incomes, choice of remaining in an ‘under-occupied’ home may be restricted by ability to pay the higher rents.
- 5.10.7 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis comes from Census 2021 (Home – Office for National Statistics (ons.gov.uk)) that provides data on dwelling size (by number of bedrooms) by age cohort and tenure.

³¹ The SSSC is sometimes referred to pejoratively as the ‘bedroom tax’.

³² A full explanation can be found at [The Housing Executive](#).

5.10.8 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for West Suffolk. In the owner-occupied sector, the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes) is seen in both the Social Rented and PRS. That said, for both these sectors, the peak occurs roughly a decade earlier – around the age of 40. After peaking, the average dwelling size decreases – typically some households downsize as they get older.

Figure 7. Average bedrooms by age and tenure in West Suffolk



Source: Census 2021 (Home – Office for National Statistics (ons.gov.uk))

5.10.9 In developing the Housing Market Model, the analysis has been used to derive outputs for three broad categories. These are:

- market housing – which is taken to follow the occupancy profiles in the owner-occupied sector;

- Affordable routes to home ownership – which is taken to follow the occupancy profile in the PRS (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- Affordable housing for rent – which is taken to follow the occupancy profile in the Social Rented sector. The affordable sector in the analysis to follow would include Social and Affordable Rented housing.

5.10.10 As regards the PRS, it is assumed that households in this sector will have the same type and size profile as those seeking affordable routes to home ownership dwellings. This is because these tenures are targeted at the same group.

5.10.11 The table below presents the projected change in households by age of household reference person for West Suffolk. As with the HMA data, this clearly shows particularly strong growth is expected in older age groups.

5.10.12 With the exception of those households headed by someone aged 16-24 growth in the number of households headed by all younger age groups is weak.

**Table 35. Projected change in households by age of Household
Reference Person in West Suffolk, 2020-40**

Age	2020	2040	Change	per cent
16-24	2,334	2,859	524	22.5 per cent
25-29	4,776	5,179	403	8.4 per cent
30-34	6,002	6,052	50	0.8 per cent
35-39	6,250	6,510	260	4.2 per cent
40-44	5,904	6,616	711	12.0 per cent
45-49	6,397	6,923	526	8.2 per cent
50-54	7,022	6,738	-283	-4.0 per cent
55-59	6,981	7,094	113	1.6 per cent
60-64	6,180	7,077	897	14.5 per cent
65-69	5,847	7,743	1,896	32.4 per cent
70-74	6,387	8,281	1,895	29.7 per cent
75-79	4,854	7,452	2,598	53.5 per cent
80-84	3,921	5,967	2,046	52.2 per cent
85 & over	3,939	7,838	3,900	99.0 per cent
Total	76,794	92,328	15,534	20.2 per cent

Source: Demographic projections

5.11 Modelled outputs

5.11.1 By following the methodology set out above and drawing on the sources shown including the tables outlining the growth in the number of households by age of HRP and Average Bedrooms by Age and Tenure, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures. The first table below shows the profile of need applying the local occupancy patterns.

- 5.11.2 Overall, the analysis clearly shows the different profiles in the three broad tenures with affordable housing for rent (Social and Affordable Rent) and affordable routes to home ownership showing a relatively high requirement for smaller dwellings compared with market dwellings.

**Table 36. Modelled mix of housing by size and tenure in West Suffolk
(Local occupancy pattern)**

Tenure	1-bedroom	2- bedrooms	3- bedrooms	4+- bedrooms
Market	3 per cent	26 per cent	46 per cent	25 per cent
Affordable routes to home ownership	14 per cent	41 per cent	34 per cent	12 per cent
Affordable housing (rented)	37 per cent	38 per cent	23 per cent	2 per cent

Source: Housing Market Model

- 5.11.3 It is also possible to contrast this data with information from the council's housing register on the profile of need for Social and Affordable Rented housing. This is drawn from Local Authority Housing Statistics (LAHS), the results of which are set out in the table below. This shows a pattern of need focused on 1- and 2-bedroom homes.

Table 37. Estimated size of affordable housing for rent housing needed, based on housing register Information

Dwelling size	No.	Per cent
1-bed	1,012	50 per cent
2-bed	564	28 per cent
3-bed	324	16 per cent
4-bed	116	6 per cent
not specified	6	0.3 per cent
Total	2,022	100 per cent

Source: Local Authority Housing Statistics – 2021-22

- 5.11.4 It is also worth noting that this is in contrast with the Housing Market Model that shows the majority of households in affordable housing living in dwellings of 2 and 3 bedrooms. That said, 1 bed units represent a large majority of overall affordable housing for rent stock. The variation between these two datasets provides some rationale for the delivery of affordable housing showing a substantial representation of dwellings of 1 and 2-bedrooms.
- 5.11.5 That said, it has been noted that housing registers may be a poor indicator of need for larger affordable homes given that if households feel they have little chance of securing such a property, they may not apply.
- 5.11.6 To a degree this is supported by evidence from WSC's housing register that shows households seeking an affordable home of 4 bedrooms or more in size have to wait, on average, significantly longer than those seeking smaller units.
- 5.11.7 The table below shows the average waiting times over the past 3 years for all bands of affordable homes by dwelling size and type. At 16 months for a 4-bedroom home and 18 months for a 5-bedroom home, there is a clear variation with other sizes, for example average wait times for 1-bedroom and 2-bedroom are 11 and 7 months respectively.

Table 38. Average waiting times for affordable homes to rent by size (all bands)

Type or size	No. of lets	Average wait
Sheltered accomm.	134	17 months
Studio general needs	24	6 months
1-bed general needs	747	11 months
2-bed flat or maisonette	376	7 months
2-bed house	564	7 months
3-bed flat or maisonette	18	10 months
3-bed house	338	9 months
4-bed	47	16 months
5-bed	4	18 months

Source: WSC housing register (November 2023)

- 5.11.8 The table below shows average wait time for band A alone over the past 3 years (band A includes those households in the most urgent need). In this dataset, the difference in wait times between smaller dwellings and 4+ bedrooms are greater than for all bands. This data shows an average waiting time of 8 months for a 1-bedroom home, but 18 months for a 5-bedroom home.
- 5.11.9 This does indicate there are a shortage affordable housing of 4+ bedrooms in size.

Table 39. Average waiting time for affordable homes to rent by size (band A)

Type or size	No. lets	Average wait
Sheltered accomm.	47	6 months
Studio general needs	14	11 weeks
1-bed general needs	499	8 months
2-bed flat or maisonette	114	3 months
2-bed house	443	5 months
3-bed flat or maisonette	4	10 weeks
3-bed house	271	7 months
4-bed	45	17 months
5-bed	4	18 months

Source: WSC housing register (November 2023)

5.11.10 Taking this into account, the findings as regards type and size of affordable homes reflect the modelled approach set out in the previous table, with an adjustment to support the delivery of a larger number of affordable homes of 4+ in size.

5.12 Recommended mix

5.12.1 The modelled analysis is based on current occupancy patterns, which might be subject to change in the future. This is particularly likely to be the case for market housing where households historically and currently have an element of choice but with worsening affordability may seek smaller homes than they might traditionally have been expected to do.

- 5.12.2 To give an example, a middle-income household might previously have sought a 3-bedroom semi-detached home. However, worsening affordability and stricter lending practice might now mean that such households will only be in the market for say a 2-bedroom flat.
- 5.12.3 In addition, provision of certain types of accommodation may influence the mix needed; for example, if many high-quality units were provided specifically for older persons (for example, specialist housing or bungalow accommodation) then this might encourage an increased level of downsizing and release additional larger homes into the market. This would have the intended consequence of potentially reducing the need for larger homes.
- 5.12.4 It is difficult to say to what extent the mix might move away from the modelled data but in developing policy the council could make further adjustments to the recommended mix below to reflect any local issues. With this in mind, the next sub-section analyses two lead indicators, age structure and levels of over-crowding and under-occupation.
- 5.13 Age structure
- 5.13.1 The table below sets out the change in the age structure for West Suffolk and the wider HMA, the Eastern Region and England for the period 2011 - 2021, drawing from census data.
- 5.13.2 This displays a level of change that is broadly similar between the four areas. That said, significant variations can be observed between West Suffolk and the wider HMA. For example, there has been a steeper decline in young adults (showing a fall in the 16-19 and 20-24 age cohorts of 7.7 per cent and 5.6 per cent respectively, compared with 3.3 per cent and 1.7 per cent for the HMA).

- 5.13.3 In terms of older age cohorts, while growth in the 65-74 age cohort (at 17.8 per cent) is less in West Suffolk than for the other geographies, trends for those aged 75+ is the same as for the HMA (26 per cent, rounded), although higher than for the Eastern Region or England (19.3 per cent and 17.7 per cent respectively).

Table 40. See APPENDIX 2

- 5.13.4 Over-crowding and under-occupation help identify whether market failure exists, that is to say, whether the market has been able to respond to demand signals for dwellings of certain types and sizes.
- 5.13.5 The table below sets out the occupancy rating (OR)³³ for households within West Suffolk and the comparator geographies. The clear variations between the data for West Suffolk and the other geographies are, firstly, the decline in the number of households experiencing over-crowding. In West Suffolk, the data indicates that 814 fewer households were overcrowded in 2021 than in 2011, a fall of around 40 per cent. This varies significantly from the percentage change for the three comparator geographies, for example, the Eastern region experienced an increase of 8.7 per cent in the number households over-crowded.
- 5.13.6 West Suffolk also displays the greatest increase in the number of households that are under-occupied. The number of households with at least 2 'excess' bedrooms rose by around 18 per cent over the period. While the comparator geographic saw the same positive trend, West Suffolk exceeded the HMA (that registered the next highest increase) by 3.5 per cent.

³³ The OR provides a measure of under-occupation and over-crowding based on the number of bedrooms in a given dwelling and the composition of the resident household. The OR makes assumptions as regards whether it is acceptable for a bedroom to be shared by two people determined their age and relationship. This results in a finding that the household has the right number of bedrooms (0), too many (a positive result indicating under-occupation) or too few (a negative result indicting over-crowding).

Table 41. See APPENDIX 3

- 5.13.7 The analysis of the age structure and occupancy rating reveals a positive correlation between the aging population and an increase in under-occupation across all four geographical areas.
- 5.13.8 This provides evidence of market failure in the delivery of homes suited to 'right-sizing' within the older persons' population. The market has delivered a substantial uplift in the number of larger dwellings (likely in part to be the result of domestic development) and weak growth in the stock of smaller units.
- 5.13.9 That said, the delivery of larger homes may have the result of releasing smaller dwellings in the market by allowing wealthier households to 'trade up'. This may explain the fall in overcrowding that is also exhibited in West Suffolk. That said, any positive consequences such as this are not sufficient to off-set the negative impact of this failure, that is, the inability if older households to move to dwellings suited to their needs and the persistence of significant levels of over-crowding.
- 5.13.10 The next section brings the evidence together to provide a recommended mix of homes that may be sought through Planning Policy in West Suffolk.

Housing mix – conclusions and recommendations

- i. Affordable housing for rent housing
- The number of Social and Affordable Rent dwellings in West Suffolk has increased over the period 2011-2021 by 15.1 per cent. This growth has been distributed across a wide range of sizes of home, with the greatest growth seen in 2-bedroom dwellings (21.1 per cent). This compares favourably with the comparator geographies, for example the number of units for Social Rent have only increased in England by 2.6 per cent over the period.
 - It should be recognised that given the scale of need it is unlikely that all affordable housing for rent needs will be met (the need for affordable homes for rent is 505 dpa, or 63 per cent of West Suffolk's annual local housing need of 806 dpa). Also, households with a need for larger homes may have greater priority (as they are more likely to contain children).
 - Furthermore, the housing register data is based on a strict determination of need based on a bedroom standard and there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (that is, are not caught by the spare room subsidy – this will include older person households). There may also be some situations where under-occupation against the bedroom standard is permitted.
 - Moreover, in arriving at a recommended size mix for affordable housing for rent, a number of observations emerge from the evidence,
 - notwithstanding the point above, 1-bedroom dwellings are identified as the size that is suitable for half of all households on the register;
 - that said, this is at variance with the outputs of the Housing Market Model. The model suggests that dwellings should be more evenly balanced between 1-bedroom (37 per cent) and 2- and 3-bedrooms (38 per cent and 23 per cent respectively);

- moreover, the council's housing waiting list data suggests those households seeking affordable housing for rent of 4+ bedrooms have to wait significantly longer than those seeking smaller homes. This suggests an under-supply of homes of this size; and
- the change in the stock of dwellings between the 2011 and 2021 Censuses indicates that 1- and 2-bedroom homes formed the bulk of the new affordable housing for rent in West Suffolk (a total of 1,337 or 80 per cent of supply).
- The council should take account of local circumstances (such as existing stock, supply and demand) in its Local Plan policies which informs the housing mix.
- Taking this into account, it is suggested that the following mix of affordable housing for rent would be appropriate for West Suffolk:
 - 1-bedroom: 30-40 per cent
 - 2-bedrooms: 30-40 per cent
 - 3-bedrooms: 15-25 per cent
 - 4+-bedrooms: 5-15 per cent
- ii. Affordable routes to home ownership
- In arriving at a recommended size mix for ARHO dwellings, a number of observations emerge from the evidence (noting that trends within the private rented sector provide a proxy for ARHO),
 - the distribution of sizes of home within the growth of the private rented sector between 2011 and 2021 is evenly balanced, although 2- and 3- bedroom units predominate (representing 2,391 of all new PRS homes, or 77 per cent of the total);
 - this broadly tallies with the outputs of the Housing Market Model. This suggests that the emphasis should be on dwellings of 2 and 3 bedrooms (41per cent and 34 per cent respectively, totalling 75 per cent of new homes); and

- the majority of the growth in households with dependent children relates to those with one child, indicating that dwellings of at least two bedrooms are likely to be in high demand.
 - Based on these factors it is considered that the provision of ARHO should be more focused on delivering smaller housing for younger family households. Based on this analysis, it is suggested that the following mix of ARHO would be appropriate:
 - 1-bedroom: 10-20 per cent
 - 2-bedrooms: 40-50 per cent
 - 3-bedrooms: 30-40 per cent
 - 4+-bedrooms: 0-10 per cent
 - The suggested mix for ARHO set out above can be applied to Affordable Private Rented dwellings in build to rent (BTR) developments, as the suggested mix is based on PRS occupancy rates.
 - That said, it is worth noting that BTR is a highly specialised form of development often serving a particular market segment (for example, young professionals). District-wide type and size policies are unlikely to be applicable without being adjusted to reflect the type of development being proposed.
- iii. Market housing
- In arriving at a recommended size mix for market dwellings, a number of observations emerge from the evidence,
 - the analysis of the age structure and occupancy rating reveals a positive correlation between the aging population and an increase in under-occupation within West Suffolk; this is reinforced by;
 - similar observations being seen within each of the comparator geographies; and
 - the market delivering growth in the number of larger dwellings and weak growth in the stock of smaller units over the 2011 – 2021 period.

- This supports the finding of a market failure in the delivery of homes suited to 'right-sizing' within the older persons' population.
- The evidence therefore supports the following mix of market housing.
 - 1-bedroom: 0-10 per cent
 - 2-bedrooms: 30-40 per cent
 - 3-bedrooms: 40-50 per cent
 - 4+-bedrooms: 10-20 per cent
- It is also worth noting that this outcome broadly corresponds to the Housing Market Model and is therefore in keeping with market trends.

Implementation guidelines

- While the analysis set out above is based on the market modelling and an understanding of the current housing market, it does not necessarily follow that highly prescriptive figures should be included in the plan-making process (hence the use of quite large ranges).
- The ranges shown above can be used as a monitoring tool to ensure that future delivery is balanced when compared with the likely requirements as driven by demographic change in the area.
- The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites. While site location and area character are also relevant considerations for the appropriate mix of market housing on individual development sites, the council must require developers to justify a housing mix on sites which differs significantly from that modelled herein.
- In implementing policy in line with these recommendations, the following guidelines should be borne in mind:
 - as well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;

- that said, some of these areas will have very few small or cheaper stock and so consideration needs to be given to diversifying the stock;
- the location or quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level;
- overall, it is suggested that the council should broadly seek the same mix of housing in all locations (as shown in the tables above) but should be flexible to a different mix where specific local characteristics suggest. The council should also monitor what is being built to ensure that a reasonable mix is provided in the district (or individual settlements). For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger or smaller family households and childless couples;
- where applications differ from the policy mix then the application should be supported by evidence to justify divergence from policy. This will include examining local characteristics and the recent housing supply; and
- additionally, in the affordable sector it may be the case that housing register data for a smaller area identifies a shortage of housing of a particular size or type which could lead to the mix of housing being altered from the overall suggested requirement on that site. Considerations around creating mixed and balanced communities are also relevant in deciding on size mix.

APPENDIX 1: Table 33. Number of bedrooms by tenure, 2011 and 2021, West Suffolk, the HMA, the Eastern Region and England

Tenure	B' rooms	West Suffolk			HMA			Eastern			England		
		2011	2021	%	2011	2021	%	2011	2021	%	2011	2021	%
Owner Occupied	1	1,377	1,383	0.4%	6,443	6,405	-0.6%	62,270	62,844	0.9%	542,182	525,552	-3.1%
	2	10,750	10,710	-0.4%	43,668	43,975	0.7%	360,085	353,543	-1.8%	3,248,463	3,093,022	-4.8%
	3	21,102	21,790	3.3%	93,918	96,438	2.7%	758,622	764,853	0.8%	6,751,846	6,732,343	-0.3%
	4+	12,301	14,447	17.4%	70,357	82,979	17.9%	474,644	559,563	17.9%	3,606,293	4,254,099	18.0%
	TOTAL	45,530	48,330	6.1%	214,386	229,797	7.2%	1,655,621	1,740,803	5.1%	14,148,784	14,605,016	3.2%
Social Rented	1	3,089	3,585	16.1%	14,021	15,077	7.5%	114,055	119,627	4.9%	1,202,642	1,177,540	-2.1%
	2	3,987	4,828	21.1%	17,951	21,029	17.1%	125,012	140,697	12.5%	1,343,644	1,428,384	6.3%
	3	3,564	3,824	7.3%	15,609	16,390	5.0%	126,661	130,134	2.7%	1,201,388	1,222,033	1.7%
	4+	420	497	18.3%	1,985	2,498	25.8%	14,603	16,694	14.3%	155,876	177,706	14.0%
	TOTAL	11,060	12,734	15.1%	49,566	54,994	11.0%	380,331	407,152	7.1%	3,903,550	4,005,663	2.6%
Private Rented	1	1,716	1,982	15.5%	10,232	12,413	21.3%	80,243	99,508	24.0%	904,007	1,020,081	12.8%
	2	5,378	6,508	21.0%	21,092	26,120	23.8%	148,679	184,047	23.8%	1,552,976	1,873,317	20.6%
	3	5,262	6,523	24.0%	18,659	22,621	21.2%	117,264	144,816	23.5%	1,134,979	1,419,094	25.0%
	4+	2,232	2,667	19.5%	8,484	10,431	22.9%	40,897	52,458	28.3%	419,072	512,916	22.4%
	TOTAL	14,588	17,680	21.2%	58,467	71,585	22.4%	387,083	480,829	24.2%	4,011,034	4,825,408	20.3%

Table 33 source: Home – Office for National Statistics 2011 and 2021, [Nomisweb.co.uk - DC4405EW- Tenure by household size by number of bedrooms](https://nomisweb.co.uk/DC4405EW/) and [Nomisweb.co.uk - RM136 Tenure by household size by number of bedrooms](https://nomisweb.co.uk/RM136/)

APPENDIX 2: Table 40. Age structure for West Suffolk, the HMA, Eastern Region and England, 2011 and 2021

Age	West Suffolk				HMA				Eastern				England			
	2011	2011	%		2011	2021	%		2011	2021	%		2011	2021	%	
0-4	10,786	9,829	-8.9%		47,614	44,299	-7.0%		361,269	349,143	-3.4%		3,318,449	3,076,950	-7.3%	
5 to 9	9,258	10,308	11.3%		42,953	49,030	14.1%		328,512	380,618	15.9%		2,972,632	3,348,701	12.7%	
10 to 15	11,345	11,687	3.0%		53,563	57,694	7.7%		418,851	457,029	9.1%		3,731,755	4,057,443	8.7%	
16 to 19	7,510	6,935	-7.7%		39,554	38,266	-3.3%		285,299	271,082	-5.0%		2,689,439	2,574,781	-4.3%	
20 to 24	11,168	10,540	-5.6%		55,362	54,423	-1.7%		352,974	342,373	-3.0%		3,595,321	3,414,450	-5.0%	
25 to 34	21,480	25,481	18.6%		96,354	119,437	24.0%		650,909	812,351	24.8%		6,422,033	7,667,865	19.4%	
35 to 49	35,332	33,278	-5.8%		170,282	167,700	-1.5%		1,255,866	1,234,550	-1.7%		11,314,865	10,978,437	-3.0%	
50 to 64	30,832	34,531	12.0%		144,245	164,008	13.7%		1,093,561	1,244,805	13.8%		9,569,364	10,970,118	14.6%	
65 to 74	16,338	19,247	17.8%		69,478	86,527	24.5%		531,393	655,206	23.3%		4,552,283	5,564,143	22.2%	
75 to 84	10,131	13,151	29.8%		43,347	55,881	28.9%		350,137	417,825	19.3%		2,928,118	3,464,857	18.3%	
85+	4,215	4,964	17.8%		18,088	21,529	19.0%		142,652	170,093	19.2%		1,180,128	1,372,300	16.3%	
Total	168,395	179,951	6.9%		780,840	858,794	10.0%		5,771,423	6,335,075	9.8%		52,274,387	56,490,045	8.1%	

Table 39 source: Census 2011 and 2021 (Home – Office for National Statistics (ons.gov.uk)), [Nomisweb.co.uk - QS103EW - Age by single year](https://nomisweb.co.uk/qs103ew) and [Nomisweb.co.uk - TS007 – Age by single year](https://nomisweb.co.uk/ts007)

APPENDIX 3: Table 41. Occupancy rating for West Suffolk, the HMA, Eastern Region and England, 2011 and 2021

OR	West Suffolk			HMA			East			England		
	2011	2021	%	2011	2021	%	2011	2021	%	2011	2021	%
2+	27,456	32,423	18.1%	131,097	150,238	14.6%	912,653	1,012,157	10.9%	7,558,815	8,341,234	10.4%
1+	25,775	27,554	6.9%	110,305	117,232	6.3%	835,572	864,212	3.4%	7,594,129	7,791,513	2.6%
0	15,678	17,314	10.4%	71,217	80,740	13.4%	592,228	662,649	11.9%	5,885,951	6,278,647	6.7%
-1	2,072	1,320	-36.3%	8,603	6,997	-18.7%	71,997	78,121	8.5%	870,540	854,416	-1.9%
-2	197	135	135	1,197	1,173	-2.0%	10,585	11,643	10.0%	153,933	170,275	10.6%
Total	71,178	78,746	10.6%	322,419	356,380	10.5%	2,423,035	2,628,782	8.5%	22,063,368	23,436,085	6.2%

Table 40 source: Census 2011 and 2021 (Home – Office for National Statistics (ons.gov.uk)), Table Office for [Nomisweb.co.uk](https://nomisweb.co.uk) - QS412EW – Occupancy rating (bedrooms) and [Nomisweb.co.uk](https://nomisweb.co.uk) - TS052 – Occupancy rating for bedrooms